

OVERSEAS RIGHTSIZING

A QUARTERLY REPORT

BY THE OFFICE OF RIGHTSIZING

THE U.S. GOVERNMENT OVERSEAS

PRESENCE



2006/II





About the Office of Rightsizing the USG Overseas Presence

The Under Secretary for Management's Office of Rightsizing the USG Overseas Presence (M/R) is a Congressionally mandated office responsible for managing the rightsizing of the US Government abroad. This Department of State office is responsible for reviewing and approving the staffing projections for all capital construction projects abroad. M/R oversees the process by which Chiefs of Mission conduct 5-year reviews on the staffing of their missions. M/R schedules the annual 20% of all U.S. Missions abroad, and reviews and approves the staffing in these missions. M/R also coordinates NSDD 38 requests, all policy issues concerning Chief of Mission authority, inter-agency correspondence regarding Executive Branch agencies overseas presence, and related issues.

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Letter from the Director of the Office of Rightsizing, J. Patrick Truhn



The highlight of our activity this past quarter has been the dramatic intensification of our cooperation with USAID. At the April 2006 Joint Management Council meeting at the Department of State, we jointly agreed that the process of integrating our management operations had gone far beyond what was initially anticipated when the Joint Management Council was created three years ago, and that we needed to draft a Strategic Vision to chart our new overarching vision.

That Strategic Vision was completed in June, presented at the July 14, 2006 JMC meeting at USAID, and communicated to the field via State 120279, which is included with this report. The chief tenets of the Strategic Vision include:

- consolidated overseas management platforms encompassing the previously agreed-upon functions, with a single ICASS invoice and with State and USAID personnel working side by side;
- improved quality of services at reduced cost to the American taxpayer;
- an expanded Crossover Assignments Program to allow State Management Officers and USAID Executive Officers to bid on one another's positions; and
- consolidated regional support platforms.

To operationalize this Strategic Vision, we are working simultaneously on a number of fronts, with outstanding assistance from the Joint Business Analysis Team (JBAT), a dedicated and talented group of business process analysts from State, USAID, and the private sector:

- a **Communications Plan** is in preparation, to ensure that all State and USAID stakeholders have access to the same information about JMC activities in the same form and at the same time; as an initial step, a JMC website has been launched at jmc.state.gov. The JBAT will be conducting telephone interviews with key personnel of both State and USAID in the coming weeks.
- an **Optimization Plan** is in preparation, to ensure that the business process Working Groups identify the full range of procedural or regulatory impediments to harmonization of their respective business lines in consolidated management platforms overseas, and establish concrete timelines and strategies to resolve them.



- validating changes to the Post Personnel (“gold standard”) database with OMB and OBO; testing web-based access to agency staffing numbers; comparing Post Personnel data to Capital Security Cost Sharing data.
- a Governance Plan has been established, creating a three-tier structure for JMC decision-making: the Executive Committee, which will be responsible for broad policy decisions and prioritization of JMC-related funding issues; a new JMC Directorate (consisting of Carla Royalty from AID, myself from State, and the JBAT as facilitators), which will manage the day-to-day affairs of the JMC and ensure consistency of operations; and the Working Groups, which have been readjusted along business process lines, and consist of subject-matter experts. All three groups will maintain active communication with the Field, to ensure that the planning reflects and responds to the needs of our overseas management practitioners.
- a Management Plan is in preparation, to define how the consolidated management platforms overseas will be organized, funded, and staffed, and to provide a timeline for the consolidation process.

These four plans should be completed by late-September, and will be reported further in our next quarterly report. The JMC Charter has also been revised.

Conversion of Positions from U.S. Direct-Hire to Locally-Employed Staff

In our last report, we noted that the Under Secretary for Management had requested that all regional bureaus identify by June 1 positions to be converted from U.S. direct-hire to Locally-Employed Staff over the next three years. The Bureaus identified over twenty management and management subfunction positions. M/R will now work with the regional bureaus on recruitment, training, and empowerment of the LES selected.

Guide for U.S. Government Agencies Planning Overseas Representation

M/R is frequently the first Department of State point of contact for other agencies seeking to send personnel overseas. We have often been asked whether we have a guide to assist other agencies in this effort. In response to such queries we have drafted such a guide, and it is included in this report. It is also available in electronic form on our website.

Future Rightsizing Conferences

Following the success of the Interagency Rightsizing Summit cohosted by OMB and M/R and held in March at the White House Conference Center, M/R would like to announce our intention of holding semiannual conferences in the month preceding the beginning of each rightsizing cycle, namely December and June. We will therefore plan on holding the next conference in early December, probably at the Department of State.

eCountry Clearance

M/R is actively working on automating the country clearance function for U.S. Government travelers worldwide. The application, which is expected to be rolled out early next year, will provide travelers with a wealth of information about the countries to which they seek clearance to travel (medical and security conditions; visa requirements; departure taxes; local holidays; contact information for the embassy and constituent posts; country clearance policy); will enable Internet-based requests (including such services as hotel reservation and meeting scheduling) with e-mail reply; and enable overseas posts as well as M/R to prepare a variety of useful reports. Embassies Brussels and Nairobi have graciously agreed to pilot this application. Closer to the roll-out date, we will provide more details in a future quarterly report.

Post Personnel Database Becomes “Gold Standard”

As previously indicated, effective October 1, 2006, the Post Personnel database will become the unique “gold standard” for personnel data on U.S. Government employees overseas, replacing separate but similar databases for Post Profiles, Capital Security Cost Sharing, ICASS, and the Mission Strategy (formerly Mission Performance) Plan.



Performance Summary and Highlights

Rightsizing Results



“Totaled projected annual avoided/saved costs as a result of rightsizing: \$115,558,164”

In the last quarter, M/R rightsized 12 U.S. missions¹ in accordance with a schedule ensuring all missions will be reviewed every five years. Only two of these missions were scheduled for new facilities. While the general trend of an increasing U.S. presence overseas continues, posts, agencies, and M/R’s rightsizing efforts resulted in total net projected staffing reductions of 29 positions, of which:

- 30 were reduced U.S. Direct Hire (USDH) desk positions,
- 19 were reduced Locally Engaged Staff (LES) desk positions,
- 20 were additional non-desk positions.

Combined with the results from the previous quarter, the reductions in FY2006 to date are:

- 200 USDH desk positions,
- 532 LES desk positions, and
- 515 non-desk positions.

While posts continue to moderate their staffing projections when using rightsizing techniques, the demands of the Global War on Terror, HIV/AIDs programs, the emergence of new infectious diseases such as Avian Influenza, expanded law enforcement presence abroad, and the expansion of the Department of Homeland Security abroad largely explain the overall increase in overseas personnel.

Avoided or saved costs from rightsizing, this quarter and year-to-date²

Avoided costs in office space that is not required this quarter³
\$1,231,880

U.S. Direct Hire positions avoided costs this quarter⁴
\$12,000,000 per annum

Eliminated LES remuneration costs this quarter⁵
\$0

Totaled projected one-time only avoided/saved costs as a result of rightsizing
 This quarter: \$ 1,231,880
 FY2006 to date: \$65,952,960

Totaled projected annual avoided costs as a result of rightsizing
 This quarter: \$ 13,176,000
 FY2006 to date: \$106,328,000

¹ Algeria, Bermuda, Brunei, Chad, Costa Rica, Guyana, Luxembourg, New Zealand, Russia, Singapore, and the U.S. Missions to the UN Agencies for Food & Agriculture and to the Holy See in Rome. M/R is currently processing the remaining 12 Spring 2006 cycle rightsizing reports and those results will be included in the next Quarterly Report.

² Difference between initially projected positions/desks and final M/R approved positions/desks.

³ Based on an average per desk cost of \$94,760 to evaluate incremental cost avoidance for desk positions not programmed, and 13 avoided desk positions. One-time only cost avoidance.

⁴ While there is great variation between agencies in the total cost of maintaining a U.S. direct hire (USDH) employee overseas (from just under \$300,000 per annum to over \$700,000), we use here a working average of \$400,000 per employee in total costs. 30 USDHs x \$400,000 = \$12,000,000 in USDH overseas costs. Some portion of this estimate represents outright avoided costs when a position is simply not created at all. This has been an effect of consolidating administrative platforms when one or two fewer USDHs are required to supervise the administrative work at a post.



“The elimination of LES positions is mostly attributable to an aggressive projection of single, unified administrative platforms overseas for all agencies at posts.”

In some cases it might be possible and necessary to substitute LE staff for a USDH resulting in substantially reduced costs. In some cases the employee not stationed overseas may nevertheless be employed in the United States. It is very difficult to make a judgment about the eventual disposition of an eliminated projected position. However, using a working estimate of \$100,000 annual average cost for a USDH employee domestically or \$20,000 annual average cost for LES, it is easy to see that substantial savings quite close to the gross savings figure is a reasonable estimate of savings, since there are at the very least \$300,000 in avoided costs annually in the case of every USDH position not established overseas. Annual cost savings.

⁵ The elimination of LES positions is mostly attributable to an aggressive projection of single, unified administrative platforms overseas for all agencies at posts (discussed in our previous rightsizing quarterly report.) Eliminating duplicative positions (e.g., several dispatchers working for different agencies, eliminating multiple cashiers and excess positions after the consolidation of administrative platforms) has been a very fruitful rightsizing endeavor. The lack of any avoided LES remuneration costs for this quarter is largely due to the large increase in LES staffing at the U.S. Mission to Chad, which switched from a contract guard force to an in-house guard force.

Competitive Sourcing

In 2005, the International Cooperative Administrative Support Services (ICASS) adopted five performance targets in conjunction with the Office of Management and Budget's Performance Assessment Rating Tool (PART). One of these five targets was for all posts to conduct competitive sourcing reviews of ICASS cost centers and activities within four years.

Effective with the Spring 2006 cycle, all posts preparing rightsizing studies were required to conduct competitive sourcing analyses as part of their normal rightsizing submissions. Posts that completed their rightsizing studies in Spring 2005 were asked to complete competitive sourcing analyses by June 2006 and posts that completed rightsizing studies in Fall 2005 were asked to complete such analyses by December 2006.

The analysis requires posts to undertake the following steps: 1) categorize individual ICASS cost centers as either "inherently governmental" or "potentially commercial;" 2) determine whether the required services are readily available on the local economy; 3) develop the business case for potentially outsourced functions, comparing in-house versus contractor performance costs; and 4) if contractor costs appear to be advantageous to the government (i.e., cheaper than in-house performance of the function), conduct a formal solicitation, verify that the proposed performance standards by the contractor selected are acceptable, and, if they are, award a contract to the most advantageous contractor.

Posts also need to ensure they have a “soft landing strategy” to deal with any current staff displaced by a new, commercial contract.

A review of the assessments received to date indicates that a substantial number of overseas posts are already outsourcing many of their services, particularly in areas such as travel, janitorial, gardening and building maintenance services. Some examples of projected savings produced through the exercise are:

- The U.S. Mission in New Delhi, India is pursuing outsourcing of gardening services for an estimated savings of \$143,000 (based on an initial market study) and custodial services for a savings of \$88,800. The Mission is pursuing both of these options in a manner that will minimize disruption to current operations.
- The U.S. Mission in Belgrade, Serbia is looking at the future competitive sourcing of motor pool services with a potential for savings of over \$300,000. In addition, Belgrade is preparing a solicitation for Custodial Services, which based on initial estimates could yield annual savings of \$127,000.

NSDD-38 Analysis

National Security Decision Directive (NSDD) 38, issued by President Reagan on June 2, 1982, establishes Chief of Mission (COM) authority to control the size, composition, and mandate of full-time permanent, direct-hire positions filled by American and foreign national personnel at foreign service posts abroad. COMs exercise their NSDD 38 authority via a uniform, centrally managed and controlled process managed by the State Department’s Office of Rightsizing (M/R).

The results of a review of the NSDD 38 applications for new, non-State direct hire positions from 2004 to July 2006 is contained in the tables on the next page. The tables show that U.S. agency programs abroad continue to expand, but at a slowing rate. The largest increases, as expected, are found in the Bureau of Near Eastern Affairs (NEA) region given the conflicts in Iraq and Afghanistan and the War on Terror. In terms of issues, the increases also reflect the growing importance anti-terrorism, economic development, law enforcement and disease control in U.S. foreign policy priorities. The Department of Defense accounted for 40% of the increase, while the U.S. Agency for International Development accounted for 23%. Other large increases came from the Department of Justice (18%), the Department of Homeland Security (14%), and the Department of Health and Human Services (3%).



	Net US Direct Hire Positions Added		
Bureau	2004	2005	2006*
AF- African Affairs	85	66	43
EAP - East Asian and Pacific Affairs	59	88	38
EUR - European and Eurasian Affairs	112	89	21
NEA - Near Eastern Affairs	520	118	64
SCA - South and Central Asian Affairs	41	68	3
WHA - Western Hemisphere Affairs	63	94	25
Total	880	523	194

* as of July 5, 2006

	Net US Direct Hire Positions Added		
Agency	2004	2005	2006*
American Battlefield Monuments Commission	0	0	3
Department of Agriculture	7	-17	11
Department of Commerce	3	9	2
Department of Defense	390	175	66
Department of Energy	2	0	0
Department of Homeland Security	134	85	7
Department of the Interior	1	0	0
Department of Justice	103	124	60
Department of Labor	1	0	0
Department of Transportation	-1	4	
Department of Health and Human Services	15	27	11
Environmental Protection Agency	1	0	0
International Broadcasting Bureau	-1	-1	-2
Millennium Challenge Account	0	5	7
NASA	0	1	-7
National Science Foundation	1	0	0
Office of Personnel Management	2	2	0
Overseas Private Investment Corporation	-1	0	0
Peace Corps	0	-1	-1
Trade and Development Agency	0	-1	0
Treasury Department	3	-5	4
USAID	220	116	33
Total	880	523	194

* as of July 5, 2006



The Fall Cycle

M/R's mandate from Congress requires that every Chief of Mission world-wide conduct a rightsizing exercise at least every five years. M/R has divided all missions into 5 year bands of approximately 20% (see appendix for schedule). Each of these bands is divided into a Fall and Spring Cycle. The Fall Cycle is devoted primarily to conducting rightsizing exercises in conjunction with the Office of Buildings Overseas security construction program – rightsizing staffing for proposed projects. The Spring Cycle is comprised of other posts to meet the 20% requirement.


Those missions tasked with completing a rightsizing study in Fall 2006 are located in: Bangladesh, Benin, Botswana, Burma, Canada (including the U.S. Mission to the International Civil Aviation Organization in Montreal), Cape Verde, China, Ecuador, Equatorial Guinea, Israel, Japan, Jerusalem, Kosovo, Mauritania, Sierra Leone, Slovak Republic, Suriname, Syria, Thailand, and the United Arab Emirates.

Effective with the Spring 2006 cycle, all posts preparing rightsizing studies are required to conduct competitive sourcing analyses as part of their normal rightsizing submissions. Posts which completed rightsizing studies in Spring 2005 were asked to complete the competitive sourcing analysis in the first half of 2006, and posts which completed rightsizing studies in Fall 2005 have been tasked to complete this analysis in Fall 2006.


Those missions/institutes doing only a competitive sourcing exercise in the Fall 2006 timeframe are located in: Burundi, Chad, Dominican Republic, Eritrea, Iceland, Indonesia, Macedonia, Morocco, Mozambique, Pakistan, Paraguay, Poland, Romania, Russia, Saudi Arabia, South Africa, Sri Lanka, Taiwan, Tunisia, Turkey, Ukraine, and Zimbabwe.

The President's Management Agenda Rightsizing Balanced Scorecard

About the Stop-Light: The Department has made substantial progress on all five of the President's Management Agenda (PMA) as well as the Overseas Rightsizing Initiative. Each quarter, the Office of Management and Budget (OMB) releases an executive scorecard that rates progress and overall status in each of the PMA initiatives. The progress and status use a color-coded "stop-light" system that is based on OMB standard criteria used to assess all agencies.

 Green	CURRENT STATUS (As of June 30, 2006)
	<p>Maintaining/Moving Beyond Green</p> <ol style="list-style-type: none"> 1. U.S. overseas staffing is at right level with skills to achieve policy goals. (Specific criteria achieved previously for Green not listed in updated scorecard) 2. New embassy construction linked to rightsized staffing. — FY 2008 proposed embassy construction project cost directly linked to Rightsizing Review results. Q4 FY 2006.- 3. Transparent accounting of USG overseas staffing and costs in place. — Gold Standard staffing data base for overseas staffing under COM authority implemented, staffing validated by the interagency. Q4 FY 2006 4. Regionalization, Centralization, and Shared Services used as rightsizing tool overseas. — Systematic Regionalization / Centralization of support functions at all Danger Posts underway, costs and positions quantified. Q4 FY 2006 5. Danger Posts underway, costs and positions quantified. Q4 FY 2006 — Systematic Consolidation of support functions under a shared services model underway at co-located New Embassy Compounds, costs and positions quantified. Q4 2006



 Green	PROGRESS (Third Quarter FY 2006)
	<p>Actions taken this quarter:</p> <ul style="list-style-type: none"> ✓ Monthly Gold Standard Position Changes Report shared with OMB, indicating 179 overseas positions established and 1,227 abolished in April and May. ✓ Directive sent to relevant posts overseas requiring the submission of Rightsizing Review implementation plans by July 18. ✓ 12 of 21 non-New Embassy Construction (NEC) rightsizing reviews submitted to State's Office of Rightsizing for review. ✓ Bureau of Overseas Buildings Operations (OBO) submitted FY 2006 financial plan to Congress for FY 2006 NEC construction projects based on right-sized staffing review numbers. ✓ State regional bureaus conducted validation of Capital Security Cost Sharing staffing counts and rationalized with Gold Standard staffing database overseas staffing numbers. ✓ State Office of Global Support Services and Innovation submitted update on approved regionalization pilots, including performance and validation criteria.



Planned Actions for next quarter:

- Submit monthly Gold Standard overseas position changes report. (State)
- Report on implementation of Regionalization pilots. (State)
- Report on status of posts' implementation plans to implement rightsizing review outcomes. (State)
- Migrate CSCS staffing data to Post Personnel (Gold Standard) and test web-based access capability to data base with one agency. (State)
- Brief on Nairobi State/USAID shared services, joint management office implementation. (State/USAID)
- Revalidate Regionalization Plan. (State)

Strategic Vision For State-USAID Management Partnership

State 120279 of July, 2006

1. As State and USAID restructure our overseas presence to meet the challenges of transformational diplomacy and sustainable development, we have recognized the need for a shared, over-arching vision for management partnership, both overseas and domestically, to contain growth and eliminate duplicative and non-essential USG functions, through rightsizing, regionalization, and consolidation of administrative support services. Our two agencies have recently completed such a strategy, which is posted in full on the Joint Management Council (JMC) website at jmc.state.gov. The purpose of this message is to outline the key elements of that strategy and to discuss its implementation. Guidance on specific issues will be issued septel.

Where we are headed

2. Our model overseas management platform will be a streamlined, unified operation and structure, with one ICASS invoice and jointly managed by State and USAID personnel working side by side. We do not, however, envision any merging of the State management officer career track with the USAID executive officer career track. Beginning in the summer 2007 bidding cycle, State management officers and USAID executive officers will have greatly expanded cross-bidding opportunities on management or executive positions at posts where USAID is present, and will receive appropriate cross-training; as a result, agency “labels” in filling positions should be interchangeable. This will greatly expand career opportunities for management and executive officers, and will offer new options for tandems.
3. Our immediate goal is to have a combined or single mission administrative operation for those posts moving into new embassy compounds (NECs). All missions that have undergone rightsizing reviews in conjunction with capital construction have received from M/R their final target staffing in each area, which will serve as the basis for OBO construction of their new facility. M/R arrived at its projections by superimposing the existing State management and USAID executive functions and staffs on one another, and determining the extent of duplication which could be reduced to achieve economies of scale. Although the first embassies constructed according to rightsized numbers will not open until 2010, posts have already been tasked with developing action plans now for consolidating their staffs to reach the target figures. Both organizations will see reduced staffing as a result, and consolidation into a joint structure that maximizes the use of locally employed staff.

4. For missions moving into NECs planned before the creation of the Office of Rightsizing, and which have not therefore had the benefit of a rightsizing review, now is the time to look at ways to consolidate operations to make the most of co-location. Guidance is available from M/R, A/GSSI, and USAID. Missions not moving into NECs are also encouraged to examine what services can be consolidated even absent co-location of the entire administrative platform. All posts which have not yet conducted rightsizing reviews have been scheduled to do so within the next three years.
5. The resultant administrative platforms will be leaner, more flexible, and more able to respond to the needs of both agencies as well as those of the ICASS customers, at better value to the U.S. taxpayer and at cost savings to both State and USAID. Consolidation of our administrative platforms means reengineering our business practices, so that the consolidated organization is not just streamlined, but also more effective and efficient. The JMC working groups need to conduct a thorough, comprehensive, results-based analysis of the processes and regulations within each of their areas of responsibility.

This systematic process will examine and impact both overseas operations and the domestic platform which supports them. It is essential for the JMC working groups to reorient their operations to support this specific goal, and to achieve quick, demonstrable results.

Implementation plan

6. To assist as a catalyst and advisor in this process, the two agencies have called upon the services of the Joint Business Analysis Team (JBAT), a group of talented, creative, and engaged business analysts from both State and Aid. The JBAT's first order of business has been to create a JMC website at jmc.state.gov. In addition to the entire State-USAID strategic vision statement, the website offers a multitude of other information for employees of both agencies, so that State and aid employees will have full access to all documents pertaining to JMC activities; minutes of JMC meetings; action plans of the JMC working groups, and a mailbox to which questions, suggestions, and recommendations may be sent. Next, it will work with each JMC working group to create a prioritized action plan. If the results of the analysis indicate that the working group's activities are complete, the group should be disbanded; if the analysis indicates that additional groups are required, or the group's activities need to be reoriented, those changes should be reprogrammed. The JBAT's third task will be to prepare a governance structure and strategy for the JMC.
7. Both State and USAID have implemented the concept of regionalization for decades,

and we are now exploring the viability of joint regional administrative support centers. Through the work of the recently established JMC working group on rightsizing and regionalization, we are now in discussions on the possibility of potential consolidation of our regional management support platforms, with an initial focus on Asia and the Western Hemisphere. Our goal is to have an overall joint implementation plan with specific timelines, targets, and milestones by the end of this fiscal year. This plan will also involve, as a precursor to actual consolidation, conducting cost comparison studies of State's and USAID's existing platforms to better determine the overall cost impact to the USG on regionalization and consolidation of services, as well as the optimum number and locations of regional platforms in our respective agencies.

8. We will also need to plan the consolidation of the regional administrative platforms, which support the overseas functions domestically. As a first step, as we evaluate potential regional platforms with the regional bureaus of USAID and State, we will also discuss the best mechanisms to bring together the activities of State post management officers and their USAID colleagues to ensure they are providing consistent guidance to consolidated platforms in the field.
9. Change management on this scale will require a robust public affairs strategy within both of our agencies. We need to ensure that chiefs of mission and USAID mission directors, management officers and USAID executive officers, regional and functional bureau representatives of both agencies, all hear the same message and are committed to implementing it. We also need to explore any current legislative or legal obstacles to this approach, as well as changes in the ICASS mechanism to permit State and USAID management personnel to function interchangeably in the ICASS environment and any reforms necessary for ICASS to accommodate the consolidation structure outlined above.
10. State management officers, USAID executive officers, and their combined local staffs at home and abroad are embarking on an era of unprecedented cooperation, which will improve the efficiency and effectiveness of our management operations and provide both the operational flexibility and the fiscal integrity for our organizations to conduct the challenges and demands of transformational diplomacy and sustainable development. As in any partnership, the fundamental requirement is trust - in our respective capabilities and engagement, in our ability to overcome self-interest for the common good, and in our commitment to all of our customers. This trust is the basis of our strategic vision, and will be the measure of its success.

Guidance to Posts in Providing Operational Support in Response to Staffing Surges

State 150776 of September 12, 2006

1. The “Right-Sized Overseas Presence” initiative of the President’s Management Agenda is expected to “reconfigure U.S. government overseas staff allocation to the minimum necessary to meet U.S. foreign policy goals.” Although in many cases this process involves consolidation, regionalization, and other techniques resulting in staff reductions, new foreign policy priorities in an age of transformational diplomacy dictate that, at some posts, staff numbers will increase in response to program surges in such areas as counter-terrorism, AIDS relief, and drug interdiction.
2. In the past, agencies undergoing rapid growth have complained that ICASS was not flexible or responsive enough to accommodate surging workloads, and have chosen instead to create or expand duplicative administrative service support structures in response. This approach, however, increases the overall cost to the U.S. government and contradicts USG rightsizing principles. In a recent inspection of ICASS, the State OIG requested that the Office of Rightsizing (M/R) issue a cable that identifies guidance and site assistance available to missions to facilitate quicker responses to surge agencies’ requests for operational support. This cable provides that guidance.
3. Surges, like all changes in agency overseas staffing, are addressed through National Security Decision Directive (NSDD) 38, a process which M/R automated effective October 1, 2005. One of the elements that must be addressed by the requesting agency and the receiving post through the NSDD-38 process is the delivery of administrative services. While a slight increase or decrease in agency staffing will not ordinarily pose serious problems at most posts, this is not the case with large increases or simultaneous surges at multiple posts resulting from the implementation of a new program.
4. M/R urges all agencies contemplating large-scale increases in overseas staffing as a result of new initiatives to contact the Office of Rightsizing before discussing its needs with individual missions. Posts are urged to contact M/R in circumstances when they are approached first by individual agencies contemplating new initiatives with significant support requirements. M/R in turn will convene a meeting with the agency concerned, the State regional bureau(s) affected, State functional bureau(s) performing similar functions, the ICASS Service Center (ISC), and representatives

of any other agencies already performing similar functions overseas. Such a meeting will ensure that the requesting agency limits its request for increases in overseas presence to only those functions which cannot be carried out by USG assets already in the field; that potential inter-agency or inter-section overlaps are deconflicted; assist agencies to assess their immediate and longer term ICASS costs; and that all functions which can be effectively regionalized are not performed at individual posts. When forwarding NSDD-38 requests to the field, M/R will inform Chiefs of Mission what discussions have taken place in Washington with respect to the initiative. M/R has successfully utilized this approach in just the past few months, avoiding the need for four USDH overseas positions, predominantly at small posts, by persuading an agency headquarters to regionalize its operations to the greatest extent possible. As we continue to hold semi-annual rightsizing summits with the agencies represented overseas, we anticipate expanded dialogue and coordination on overseas staffing plans. We are also planning a reference guide for agencies seeking to establish an overseas presence, which we have posted on our website; while intended primarily for establishment of a first-time presence, the information contained therein will be useful for all agencies.

5. If the nature of the function precludes regionalization and requires that the requesting agency be physically present in one or a number of overseas missions, M/R will work with the agency, the regional bureau(s), the Office of Global Support Services and Innovation (A/GSSI), the ISC, and the post(s) involved to determine how best to manage the surge support requirements. Some support services may be either regionalized or centralized; if they must be performed on-site, standard templates can be developed centrally to alleviate the burden on each post to address the surge independently. A/GSSI has already developed a number of helpful benchmarks to assist posts in assessing the number of support staff required to perform certain functions (for further information, please consult the A/GSSI website at agssi.a.state.gov). Some agency-specific support services may be provided directly from the agency's headquarters, or accommodations made by the agency in its procedures or regulations to facilitate service by existing ICASS support mechanisms.
6. Frequently posts with insufficient human resources to respond to surge requirements of another agency also find themselves with insufficient funding to add ICASS support staff quickly. Posts in this situation may qualify for additional funds from the ICASS Service Center, through approved ICASS funding mechanisms like the TDY Module and the Partial Year Module, but are asked also to contact M/R and their Regional Bureau Executive Office for assistance first.
7. In some cases, a temporary "support surge" may be required, particularly to handle GSO-related startup activities, such as leasing a dozen or more housing units, clear-



ing large numbers of shipments through Customs, or recruiting a large number of locally-employed staff, may also be required. Such support might be provided by a TDY or WAE GSO or HRO and a local-hire EFM or LES. All of the associated costs of this temporary support should be direct-charged to the agency responsible for the surge.

8. All agency staffing overseas is ultimately subject to Chief of Mission authority. Any increases approved by the Chief of Mission must reflect both mission priority and an acceptable mechanism to deliver the administrative support, including security, required to achieve the mission. If the mission is unable to provide requisite security or support, the request should be denied.

Guide for U.S. Government Agencies Planning Overseas Representation

This guide is intended as a resource for agencies which currently have no personnel overseas, and for those considering establishing positions overseas in countries in which they currently have no presence. However, it will also be of benefit to agencies seeking to expand or reduce their presence at overseas posts. It has been drafted by the Department of State's Office of Rightsizing the United States Government Overseas Presence, in collaboration with other geographic and functional bureaus within the Department of State.

Section I: Chief of Mission Authority

The President's Letter of Instruction to Chiefs of Mission (COM), most recently issued on June 30, 2003, stipulates that the Chief of Mission has "full responsibility for the direction, coordination, and supervision of all United States Government executive branch employees, regardless of their employment categories or location, except those under command of a U.S. area military commander or on the staff of an international organization"; that "all executive branch agencies under [COM] authority, and every element of [the] Mission, must keep [the Chief of Mission] fully informed at all times of their current and planned activities"; that he/she has "the right to see all communications to or from Mission elements, however transmitted, except those specifically exempted by law or Executive decision"; that the Chief of Mission has full responsibility "for the security of [the] Mission and all personnel... whether inside or outside the chancery gate"; that the Chief of Mission review programs, personnel, and funding levels regularly, "and ensure that all agencies... do likewise"; that every executive branch agency under Chief of Mission authority obtain approval "before changing the size, composition or mandate of its staff"; and that all U.S. Government personnel other than those in country under command of a U.S. area military commander or on the staff of an international organization "must obtain country clearance" before entering the country on official business.

Section II: National Security Decision Directive (NSDD) 38

National Security Decision Directive (NSDD) 38 was signed by President Reagan on June 2, 1982, and provides that all agencies with staffs operating under the authority of COMs will ensure that "the Chief of Mission's approval is sought on any proposed changes in the size, composition, or mandate of such staff elements."

A request for Chief of Mission approval under NSDD-38 should be the last step in a dialogue with the Chief of Mission during which the agency's representative explains the agency's plans to the Chief of Mission, receives feedback on how this plan fits into the overall Mission Strategic Plan, learns more about operating in the host country, and makes necessary refinements to the proposal. In some cases, the Chief of Mission may indicate that the proposal will not be feasible – because it is inappropriate to U.S. Government operations in the host country, because there is no space available, because of security conditions, because the proposed activity is duplicative of a function already performed by another U.S. Government agency, etc.

NSDD-38 requests are submitted to the Office of Rightsizing the United States Government Overseas Presence (M/R), Room 2820, Department of State, Washington, DC 20520 via an automated system. To request a logon, please visit the Internet site <http://nsdd38.state.gov>. Users will be asked to complete a standard on-line request form which will initiate the process. Chiefs of Mission are asked to submit a reply within three weeks. Agencies are notified by M/R when a reply has been received, or if additional information is required by the Chief of Mission to make a decision. Once NSDD-38 approval has been received, the agency is free to establish the position and assign personnel. The post should be informed of the name, grade, family composition, and anticipated arrival date of the new employee(s) as soon as possible, so that the Interagency Housing Board may assign housing and the Community Liaison Office Coordinator may assign a sponsor (for further information, see Section III of this guide).

Section III: Resources in Washington

Although it is essential that agencies contemplating establishing an office overseas discuss their plan with the Chief of Mission and selected members of the country team (see Section IV), it is also helpful in the early stages of the decision-making process to talk to a variety of interlocutors at the Department of State in Washington.

The first and most important contact will be with the relevant country desk. Country desks in the Department of State's geographic bureaus are the principal point of contact in the interagency process for issues relating to a particular country or group of countries. To identify the appropriate country desk, go to foia.state.gov/MMS/CountryOffices/cntry_off.asp. Large countries will have a desk dealing exclusively with matters pertaining to that country, while smaller countries may have an office dealing with a regional cluster of countries.

A number of functional bureaus may also provide good contacts. Agencies contemplating an overseas presence should ensure that the work they are planning to execute is not duplicative of work already being performed by another U.S. government agency, and

should inform themselves about similar functions already performed by other agencies. For example, the Bureau of Economic and Business Affairs coordinates activities in the economic, business, and agricultural area and the Bureau of Oceans and International Environmental Scientific Affairs coordinates activities pertaining to a number of environmental, health, and global issues. A complete listing of functional bureaus, with links to their websites, is available at www.state.gov.

Once a decision to establish a presence in a given country has been taken, and approval granted, a number of management bureaus will provide assistance.

The Office of Rightsizing the United States Government Overseas Presence (M/R) will work with the agency on a Memorandum of Understanding governing the agency's overseas presence. The MOU covers matters of administration such as information technology, participation in International Cooperative Administrative Support Services (ICASS), security, and outlines broadly the mission of the agency overseas. Please contact M/R at 202-647-6498 to initiate this process.

The Bureau of Administration's Office of Logistics Management will provide guidance on shipping household effects and other items to the overseas post. Contact 202-647-4160 for further details. Agencies may enter into a Memorandum of Understanding with the Department of State to use the State Department's offices for the transportation of personnel and property to the overseas post.

The Bureau of Administration's Office of Overseas Schools maintains information on all schools overseas attended by family members of official Americans, and provides grants to many of them. For the most up-to-date information, please contact the Office of Overseas Schools at 202-261-8200. The Department of State's Family Liaison Office (FLO) also has an Education and Youth Officer who can provide invaluable information and guidance about education issues as they relate to internationally mobile children including special education resources, boarding schools, and college applications. The Family Liaison Office can be contacted at 202-647-1076, or via e-mail at FLO@state.gov.

When applicable, the Bureau of Human Resources' Office of Title and Rank will act on requests for diplomatic or consular titles for agency personnel to be assigned overseas. Contact 202-647-9732 for further assistance.

The Mission's Human Resource Section and State's Office of Overseas Employment will provide information on hiring local staff, including foreign nationals and ordinarily resident U.S. citizens, collectively identified as Locally Employed (LE) Staff, as well as information on hiring eligible family members of U.S. direct-hire staff. The Mission

HR Office can handle all HR support and personnel actions for LE Staff, contingent upon the hiring agency's subscription to ICASS HR support services at post and the signing of a Personal Services Agreement (PSA) Memorandum of Agreement with the Department of State, permitting the use of State's PSA authorities for non-State local hires. The USG is viewed as a single employer, and LE Staff are paid, generally in local currency, on a pay plan approved by HR/OE, based on local prevailing practice, and considering the benefits normally accorded under host country labor law. The Local Compensation Plan (LCP) approved by HR/OE is the only compensation plan available to LE Staff of all U.S. Government agencies overseas. The LCP generally includes the salary schedule, premium pay rules, bonuses and allowances (if applicable), a Local Leave Plan and end-of-service benefit plans, including severance pay, separation notice, separation for age provisions and a Reduction in Force (RIF) plan. The LE Staff Handbook will generally cover conditions of employment, grievance procedures, disciplinary actions and other post-specific procedures which all agencies must follow. LE Staff are enrolled in host government or private local retirement plans, or, in limited instances, where such plans do not exist or are unreliable, in an offshore retirement plan. LE Staff are generally employed using a Personal Services Agreement. For further information, contact the Mission's HR Office or the Director of the Office of Overseas Employment (HR/OE) at 202-261-8132.

The Family Liaison Office (FLO) serves U.S. Government employees and their family members assigned to, serving at, or returning from a U.S. Embassy or Consulate abroad. In addition to managing the worldwide Community Liaison Office Coordinator program (described in Section III), FLO provides services in the areas of Education and Youth, Family Member Employment, and Support Services for those experiencing a mission-wide or personal crisis or issue (such as evacuations, abuse, adoption, divorce, or eldercare). The FLO also has an Employment Section that provides services and resources related to Family Member Employment overseas. We strongly recommend that family members contact the FLO as soon as possible if they are interested in working while posted overseas. That office can be contacted at 202-647-1076, or via e-mail to FLO@state.gov. Additional information can be found at www.state.gov/m/dghr/flo.

All management/logistics arrangements must be closely coordinated with post. As planning progresses, it may be useful to arrange conference calls between Washington-based support offices and the Post Management Officer or designee to discuss specifics. Particularly if an agency is considering sending multiple personnel to a post, it is recommended that the agency's domestic administrative point of contact make a trip to post early on to have detailed discussions with post personnel on the ground.

The International Cooperative Administrative Support Services (ICASS) office in the Bureau of Resource Management coordinates the shared administrative services arrangement

under which agencies receive administrative services overseas from the Department of State or an alternative service provider. The ICASS Service Center can be reached at 202-663-3883. ICASS is a cost distribution system. Charges are based on the number of cost centers for which an agency is signed up; the workload counts associated with those cost centers; and the cost of providing the services associated with those cost centers. Participating agencies must sign up for at least the “Basic Package” and “Community Liaison Office” cost centers. Other services may also be required depending on an agency’s particular circumstances at post, e.g., if agency employees are located in U.S. Government facilities, security would be mandatory as would Building Operating Expenses. In keeping with the President’s Management Agenda requirement to avoid unnecessary duplication of management services overseas, posts may also require agencies to sign up for all appropriate services as a condition of NSDD-38 approval.

Some services – chiefly the human resources cost centers – are charged based on head counts. The remaining cost centers, including shipping, supply, procurement, and motor pool, are charged based on actual consumption. Building Operating Expenses charges are based on square meters occupied. Workload factors are counted annually by the service provider at post, and the Financial Management Office provides the senior agency representative with a bill and supporting documentation for signature. An ICASS Council at post, consisting of members of serviced agencies, including the Department of State, meets several times a year to review the ICASS budget, assess the quality of service, and address other issues of concern. Further information can be provided by the Financial Management Officer (see Section III).

The Foreign Service Institute (FSI) offers a mandatory course for all personnel assigned overseas on the security environment and embassy organization, as well as language and area studies courses, to which agency personnel may be assigned, upon payment of course fees by their agency. For registration information call 703-302-7139 or visit the FSI website at www.state.gov/m/fsi. The Overseas Briefing Center at FSI offers a wealth of information for personnel assigned overseas and their families, including videos of the post and host city/country; samples of post newsletters; post reports; rules concerning pets; and other information designed to assist newly-assigned personnel preparing to move overseas. It can be reached at 703-302-7275.

The Office of Medical Services (MED) conducts physical exams for medical clearances, which U.S. Government employees and their eligible family members must receive in order to travel to post and to receive medical treatment from the post Medical Unit, providing the agency has signed up for medical services under ICASS. To schedule a clearance physical, contact 202-663-1779. Please note that contractors may receive medical services from overseas post health units only if medical services are expressly provided for in the contract, and MED determines the program can accommodate them. Other

requirements include obtaining a medical clearance from MED, participation by the contracting agency, via the ICASS shared services mechanism, in the costs of the medical program, and specific provision in the contract for paying costs for overseas hospitalization and/or medical evacuation. For further clarification, please contact MED.

U.S. direct-hire personnel assigned overseas, as well as their eligible family members, generally travel on diplomatic or official passports. To apply for such a passport, please contact the Special Issuance Agency at 1111 19th St., NW, Room 200, Washington, DC, or call 202-955-0198. Agencies should check with the receiving country's embassy in Washington concerning visa requirements for assigned employees and their families.

The Bureau of Overseas Buildings Operations (OBO) assesses all agencies with personnel overseas under COM authority an annual charge for Capital Security Cost Sharing. Through this program, agencies contribute toward the cost of building new, safe and secure diplomatic facilities overseas, at a rate of approximately ten facilities per year over an eighteen-year period. The amount of the annual charge is based on the number of desk and non-desk positions an agency has and whether those positions are located in controlled-access areas (where classified information may be discussed and stored) or in regular workspace. For further information, contact 703-516-1980. These charges are made at the headquarters level.

Section IV. Resources at Post

As indicated above, it is crucial that an agency contemplating establishing positions overseas discuss its plan in-depth with the COM and other relevant post officials as early as possible. The COM will provide insight on how the agency's proposal fits into the overall mission operations. The annual Mission Strategic Plan outlines the mission's primary goals (usually about half a dozen) and provides interagency action plans for each. This document, formulated by the country team at the end of the calendar year, is expected to drive the embassy's operations for the coming year and serves as an important tool in the budget cycle.

The country team consists of the COM, usually an Ambassador, the Deputy Chief of Mission (DCM), and the heads of the State Department sections and other agencies assigned to the mission. The COM may be either a career Foreign Service Officer or a non-career ambassador from the world of business, politics, or academia. The DCM is a career Foreign Service Officer, often with previous assignments in both policy and management. He or she acts as *Chargé d'Affaires ad interim* in the absence of the COM.

Agencies will want to confer with the Mission on both management/logistics and policy issues.

A. Management Issues

The Management Officer (or Counselor, depending on rank), is responsible for many of the administrative details of the agency's presence at the post, in particular such issues as office space and administrative relations with the host government. The Management Officer/Counselor should be the first point of contact for all management/administrative issues to best coordinate the agency's entry into post. Key members of the Management Officer's staff are:

- the General Services Officer (GSO), who is responsible for housing, procurement of office and residential furniture and furnishings; warehousing, and motor pool operations;
- the Financial Management Officer (FMO), who will explain the Interagency Cooperative Administrative Support System (ICASS), and provide projections of specific costs;
- the Human Resources Officer (HRO), who will discuss establishment of any positions for LE staff and eligible family members, and will provide a copy of the most recent LE Staff Handbook, which addresses salaries, benefits, and conditions of employment for local national staff and locally resident American staff, to which all agencies must adhere;
- the Information Management Officer (IMO), who will address issues related to computers, telephones, diplomatic pouch and mail or APO/FPO;
- the Community Liaison Office (CLO) Coordinator, who will discuss employment of eligible family members, schools, recreational activities, identify sponsors, and address other quality of life issues;
- the Post Medical Officer ~ a Foreign Service physician or medical practitioner, or a locally employed physician or nurse ~ who will provide information on local health conditions, local medical facilities, medical clearance requirements, and medevac procedures

B. Policy Issues

The DCM or his/her designee should be the first point of contact for all security and policy issues. S/he can recommend and facilitate discussions with:

- the Regional Security Officer (RSO), who will discuss post-specific threat information, including both operational security for the office and personal and residential security for employees and family members outside the office. The COM is re-

sponsible for the security of all U.S. Government employees overseas under his/her authority. The RSO manages the security program for the COM. All agencies and employees must adhere to the COM's security requirements, including those involving firearms.

- other State sections as appropriate. The Political Section deals with a wide array of political, military, and global issues such as democracy and trafficking in persons. The Economic Section addresses economic, commercial, and agricultural relations, including such issues as terrorist financing and intellectual property rights. The Consular Section issues visas to foreign nationals seeking to come to the United States and passports and other services to American citizen residents or tourists in the host nation. The Public Affairs Section is responsible for all media relations as well as exchange programs and other cultural affairs.
- The DCM may also recommend other agency contacts within the embassy as appropriate.

Section V: Life at post

Life at an overseas mission varies considerably from post to post. A large embassy, particularly one of recent construction and corresponding to the latest security requirements, may seem from the outside rather like a fortress, while a small post may be located in commercial office space with no setback from the street and only limited protection. In all cases, however, embassies or consulates are protected by a local guard force, and in many cases a Marine Security Guard detachment is present as well, to safeguard classified material.

Business attire is generally the norm, unless local conditions dictate otherwise and the COM has so determined. Official business hours vary widely according to local custom, but must constitute a forty-hour work week. In many Muslim countries the weekend is either Thursday-Friday or Friday-Saturday. The mission generally observes not only all American holidays, but also those of the host nation. Locally employed staff frequently receive some benefits that are unique to local prevailing practice; these are included in the LE Staff Handbook, mentioned above.

In addition to the weekly country team meeting, a typical post will have a number of committees, of which agency representatives are members by virtue of their position or to which they are appointed by post management on a rotating basis. Such committees include the Emergency Action Committee, which meets regularly to discuss emergency planning and possible threats against the post or individuals; the Interagency Housing Board, which manages the Housing program at post, including the assignment of new

arrivals to housing; the Awards Committee, which approves award nominations; the Post Employment Committee, which ensures fairness to all family member candidates for employment; and the ICASS Council. Many posts have an employee association which runs a small commissary and/or club; membership is voluntary and the board is elected by the members.

Although many agencies will receive some administrative services (particularly human resources and financial management) from their Washington headquarters, they should not seek to replicate at post services already provided by ICASS. This is wasteful, contradictory to U.S. Government rightsizing policy, and increases the costs for the other agencies at post.

The COM will generally indicate at what level other mission personnel are to interact with the host government and other foreign missions in country. In general, the COM is the chief (or sole) mission interlocutor with the President, Prime Minister, and cabinet, although, particularly in small countries, key members of the country team may have direct contact with ministers in their respective portfolios. Although the COM will be the principal interlocutor with other Ambassadors, other members of the mission may find themselves engaging foreign diplomats higher than their own rank as a result of common social interests (e.g., church, sports, cultural, or other organizations).

Relations with the press are handled by the Public Affairs Section; all requests for interviews must be sent through the Public Affairs Office (PAO), which will coordinate with other sections and agencies as appropriate. Employees of other sections or agencies should not give media interviews without prior approval from the PAO.

Particularly in developing countries with high rates of unemployment, official Americans of all sections and agencies may be approached by foreign nationals seeking their assistance in obtaining an American tourist or student visa. In general, such requestors should be referred to the Consular Section. Each post is required to have a rigorous visa “referral” system, to which all personnel must adhere. Because of widespread fraud, the bar – and the responsibility – for recommending that a Consular Officer issue a visa to a close contact are extremely high. Many U.S. employees have been duped by trusted contacts into recommending individuals who were instead participating in immigration scams.

The “Standardized Regulations,” sometimes referred to as the “DSSR,” govern allowances and other payments available to U.S. Government civilian employees working in foreign countries; the Department of Defense follows the DSSR in its own regulations, with limited exceptions. The following are examples of payments included in the DSSR: hardship differential, payable in countries where the local security, medical, sanitary,

climate, or other conditions are substantially different from those of the United States; post allowance, a cost-of-living allowance in localities where the cost of living is at least five percent more than in the United States; danger pay, where the local security situation puts American employees at particular risk; and subsistence expense allowance (SEA) for employees or family members who have been evacuated from post. Some agencies also provide their employees with representation allowances to entertain host-country contacts; the proper use of these allowances is explained in the DSSR. The first place to check on any of these issues is the Management Section at post.

In addition to family member employment, the sponsorship program, crisis management support, and school liaison, the Community Liaison Office (CLO) reaches out to the community and organizes a variety of activities to strengthen employee and family member morale and understanding of the host culture. Such activities generally include a weekly or biweekly embassy newsletter; an orientation session for newcomers; outings to shopping outlets and local restaurants; in-country and regional travel; visits to local handicraft dealers and artisans; and cultural, social, and sports events. The CLO Coordinator keeps a reference library, which can also facilitate connections for newcomers with special interests.

Security and safety are of paramount importance. Newcomers will receive a security briefing soon after arrival at post. As noted previously, every employee who is assigned abroad must complete mandatory security training prior to arrival at post. Each post has an Emergency Action Plan, with which all employees should be familiar. Drills are conducted regularly, to test the various segments of the plan. These apply to all agencies. Family members should acquaint themselves with basic security requirements, and ensure that servants also exercise sound security practices. In many countries, particularly in the developing world, servants are not a luxury but rather a necessity, to shop for and prepare food, clean the house or apartment, and care for children. Many countries do not have American-style supermarkets, necessitating food shopping in multiple locations, and in some cases bargaining in the local language. Depending upon local health conditions, fruits and vegetables may need to be soaked in a bleach solution, and drinking water may have to be boiled. Insect-borne diseases, such as malaria and dengue fever, are endemic to many posts, and require special precautions such as mosquito netting or prophylaxis. The RSO's office and CLO will often be able to provide some assistance in finding and clearing servants.

Finally, no matter whether the foreign posting is to a Western country where Americans may blend in or a location where they stand out, or whether they are at the office or the beach, official Americans are always representing their government. They are expected to adhere to the highest standards of ethical and moral conduct at all times, to respect host country laws and customs, and to set an example for their agencies or

sections. Most official Americans and their eligible family members overseas will have some form of privileges and immunities under the Vienna Conventions; post-specific information should be provided by the Management Officer.

Department of State Internet Websites

Main State Department website - <http://www.state.gov>.

M/R INTERNET WEB SITE - <http://m.state.gov/m/r>

DEPT. OF STATE PHONEBOOK & GENERAL INFORMATION - <http://foia.state.gov/phonebook>

KEY OFFICERS LIST - <http://foia.state.gov/MMS/KOH/keyoffcity.asp> [This site provides the current list of key officers of all sections and agencies at U.S. embassies and consulates abroad.]

POST REPORTS - http://foia.state.gov/MMS/posrpt/pr_view_start.asp [This site provides reports on each country where the U.S. has a diplomatic mission, and specific information for U.S. Government personnel assigned to that mission, including education, entertainment, medical conditions, availability of goods and services, etc.]

ICASS WEB SITE - www.icass.gov [This site provides information on the International Cooperative Administrative Support Services (ICASS) system by which administrative support services are provided at overseas posts.]

OFFICE OF OVERSEAS ALLOWANCES SITE - www.state.gov/m/a/als [This site provides links to the Department of State Standardized Regulations, the government-wide allowances and benefits program abroad.]

OVERSEAS BUILDINGS OPERATIONS (OBO) WEBSITE - <http://www.state.gov/obo/c11275.htm> [This site contains information on the Capital Security Cost Sharing program]

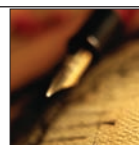
Introduction to the Rightsizing Guide

In FY 2005, the Department implemented rightsizing procedures, techniques and methods which realized the mandate from Congress and the President to conduct rightsizing analyses of the U.S. Government's Overseas Presence. The processes have been gathered together in the following Rightsizing Guide. The instructions in the Guide have been approvingly reviewed by the Office of Management and Budget (OMB).

There are four basic documents in the Rightsizing package that we provide to posts to conduct rightsizing exercises:

Rightsizing Procedures

Abstract: The booklet is a general summary of general rightsizing principles and the considerations that post's should make in conducting rightsizing analyses. It also includes formatting instructions for the completed report. Because these reports go to OMB and Congress, and the Department must often provide summary statistical analyses of our overseas presence, it is important that these reports, text and data, be easily comparable post to post as well as easily aggregated.



Matrix

Abstract: The Services Matrix allows for a simple graphic exploration of ICASS-like services at post and possible areas of duplicative or non-essential activities.



Competitive Sourcing Template

Abstract: This template responds to the Department's requirement from the Office of Management and Budget's (OMB) to conduct a Performance and Rating Tool (PART) on Competitive Sourcing at every post world-wide over the next four years.



Report Template

Abstract: A common format is important when dozens of reports a year, over five years some 170 reports will be forwarded to OMB and Congress. The ability to easily extract information on a post or combine the information on several posts is an important requirement of the format. Following the instructions for the format ensures that all the information required is included.



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The Rightsizing Mandate

The Under Secretary for Management's Office of Rightsizing the USG Overseas Presence (M/R) is the Congressionally-mandated office responsible for managing the rightsizing of the US Government abroad. Congress requires that a Rightsizing Review be conducted by M/R: (1) on every capital construction project the Department wishes to propose to Congress, and (2) on 20% of all missions annually (identified as Five-Year Study posts – see separate instructions on page 18). Rightsizing the USG Overseas Presence is also a key initiative of the President's Management Agenda. The Lead Agency for Rightsizing is OMB, which has in turn designated the Department (M/R) as the lead agency for implementation. Rightsizing Reports approved by M/R are submitted to OMB and appropriators. Without an approved rightsizing report, OMB will not forward projects to Congress, and Congress will not budget or fund a capital construction project.

A rightsizing review eliminates or justifies any duplicative or parallel functions currently at post, considers the possibilities for reducing U.S. Government employees at post by taking advantage of regionalized or globalized service organizations, determines whether some jobs can be performed effectively by locally-engaged staff (LES) rather than US direct-hire employees, and outsources as feasible non-core and non-governmental functions.

The President's letter to the Chief of Mission charges the COM with reviewing functions and staff and with ensuring that excess staff is adjusted. The Secretary emphasized this requirement in a cable to the field in 2003; the ICASS Executive Board also advises posts to eliminate duplicative services at post. The Government Accountability Office has noted that ICASS's failure to live up to its promise of cost containment has been in part because of wasteful duplication of administrative services at missions overseas. Department policy now requires that rightsizing considerations be incorporated into posts' Mission Performance Plan submissions and rightsizing is also a mandatory element in Bureau Performance Plans. This responsibility of Chiefs of Mission to ensure that the size and composition of the mission under their authority is appropriate to carry out its mission has been oft repeated and is not new, but the emphasis is now greater than ever. In particular, COMs are expected to ensure the consolidation of as many activities as possible to minimize staff, thereby containing costs and exposing fewer employees (Americans and Locally-Engaged Staff) to security risks, while meeting programmatic requirements and maintaining administrative support service quality.

Chief of Mission's Certification

When the Mission completes the Rightsizing Study and Staffing Projections, the Mission must forward these documents to the Regional Bureau Executive Director under cover of a memorandum from the Chief of Mission certifying that the Chief of Mission has reviewed every staff element and agency under Chief of Mission authority and approves projected levels. A sample is included as Appendix A.

What is Rightsizing?

Rightsizing does not necessarily mean downsizing. It may, in some cases, particularly as we seek to enhance security and respond to increasing budget pressures, but a thorough analysis of USG overseas operations may also justify staffing increases. It is clear, for example, that factors such as emerging Homeland Security requirements, changes in the visa processes, the Global War on Terror, and the President's Emergency Plan for AIDS Relief, will result in staffing changes at a mission. A rightsizing analysis will lead to transfers of resources from one mission goal to another even as we seek to enhance security and operational efficiency through regionalization and centralization. Rightsizing is emphatically not solely a Department of State issue: it applies to all USG agencies operating under COM authority overseas.

We use the General Accountability Office's (GAO) definition of rightsizing as our optic: "Rightsizing [is] aligning the number and location of staff assigned overseas with foreign policy priorities and security and other constraints. Rightsizing may result in the addition or reduction of staff, or a change in the mix of staff at a given embassy or consulate." (GAO-02-780 Overseas Presence: Framework for Assessing Embassy Staff Levels Can Support Rightsizing Initiatives, p. 1, July 2002)

Getting Started

Be sure to include all agencies, constituent posts, embassy offices, etc. in your analysis. You may use the ICASS Council, Working Group, or any ad hoc arrangement as a vehicle for discussion and formulation of the report and corresponding data. For large posts we recommend using the same discussion groups which prepared the MPP goal papers, since the rightsizing review uses those goal papers as a starting point and asks posts to analyze how well the resources devoted to them are realizing the desired results. Be sure to be as inclusive as possible, reaching out to all sections and agencies of the Mission. Insist that agency representatives seek guidance from their headquarters on long-range planning involving their agency. M/R will ultimately forward your submission to other agencies' Washington headquarters for comment, but inviting input from the beginning will facilitate communication.

Remember that your goal is five years out. For those posts getting New Embassy Compounds, there is roughly a five-year period from the date you start your rightsizing study to the time you cut the ribbon on your new building. The rightsizing study you develop is the end-state that OBO will build to. For posts not receiving a new building, your rightsizing study is good for five years, so you should cover your vision for your post in that timeframe.

The Office of Rightsizing (M/R) will conduct digital video conferences (DVCs) with all posts conducting rightsizing studies which have DVC capability, with participation from the regional bureau executive office and other interested partners in Washington. For those posts without DVC connectivity we will organize a conference call. We have found such vehicles invaluable in improving posts' understanding of what we are looking for, as well as the quality of the finished product.

M/R is also prepared to visit posts that request such assistance and which would benefit from on-the-ground consultations. If you would like a visit, please let your M/R analyst know early on, so that travel may be budgeted and scheduled.

Although the post's report is to be submitted to the regional bureau executive office, we strongly recommend that individual goal segments be submitted during the drafting stage to M/R for review so that we may provide guidance along the way. This will lead to more expeditious approval of rightsizing reviews.

Format and Procedure for the Rightsizing Review

Section I: Mission Goals and Objectives, Analysis of Duplicative Activity

1. Narrative: For each performance goal, identify the mission elements currently supporting that goal, and analyze their specific value added in meeting the objectives.
2. Assessment: Assess areas of duplication, activities which are no longer required or may require adjustment of resource levels, and identify activities which require increased resources to achieve their objectives (unmet needs). All proposed increases or decreases in staffing must be accompanied by full justifications. Use metrics wherever possible (e.g., NIV applications have risen by 65% over the past two years, resulting in the need for two additional consular officers).
3. Based on this assessment, determine whether that goal is rightsized, or needs increased or decreased staffing. At the end of the assessment please indicate, in parentheses, any proposed changes (e.g., DAO -1 USDH desk, POL +1 LES desk).

Unlike the Mission Performance Plan, your rightsizing report may include as many goals as you like, but it is essential that your analysis and assessment in this section cover every mission element: all State sections and all non-State agencies. If a mission element does not play any role in the mission's goals and objectives, the need for its continued presence should be questioned, and a plan for its relocation developed, as appropriate.

II. Competitive Sourcing, Regionalization, and Substitution of LES for USDH

Competitive Sourcing

Competitive Sourcing is a methodical way of evaluating whether commercial services should be performed using government employees or contractors. As part of the Program Assessment Reporting Tool (PART), a methodology utilized by OMB to gauge the success of a program, the Department is required to conduct and report on competitive sourcing analyses of its overseas functions. This is performed in conjunction with the periodic rightsizing exercises.

Post should document its assessment of all services, including but not limited to those performed under ICASS, for potential contractor performance to demonstrate Department efforts to control service costs and improve quality. A template for this documentation is posted on the M/R website with these rightsizing instructions.

1. **Categorize existing functions:** Functions performed by Government FTE, whether Locally-Employed (LE) Staff or Foreign Service personnel, may be classified as either “inherently governmental” or “potentially commercial.” An inherently governmental function is one that must be performed by a government employee because the function requires significant discretion in decision-making that would bind the Government to take a course of action. Examples would include a Consular Officer who decides whether a visa should be issued, a Financial Specialist with certifying authority, Human Resources Officer who determines who will be hired and at what salary, and a Contracting or Grants Officer who decides who will receive a contract or grant and at what value. Commercial services, by contrast, are services that are routinely provided by the marketplace through private contractors. These would include gardeners, maintenance workers, drivers, and other functions that do not involve significant discretion in decision-making. Using the competitive sourcing template on the M/R website to assess all ICASS cost centers, as well as other potentially commercial functions (e.g., translators, language teachers), identify them as either “inherently governmental” or “potentially commercial.”
2. **Determine whether the potentially commercial function should be subject to market analysis or not:** This determination is based on any issues affecting performance of a function by a contractor. For example, at some posts it may not be possible, because of local security threat conditions, to use commercial providers for motor pool services even if they are readily available and cost less than government employees. Posts should consult with their RSO for post-specific information at this stage. Should security reasons preclude permitting a contractor to perform a commercial function, the RSO should provide the rationale. Posts should also ensure that contracting out of services/functions currently performed by local staff does not cause problems with host country labor law, and expose the USG to significant litigation. During step 2, identify any concerns that might influence a decision not to review a commercial function for performance by contractor personnel. Document a decision not to evaluate a commercial provider with a brief rationale. In some cases, although a function is potentially commercial, it would not actually be subject to market analysis because the scale of activity is so small.
3. **Survey the marketplace:** Post should determine whether the required services are readily available on the local economy. This is the so-called “yellow pages” exercise; if the sources are not available, the competitive sourcing process stops here. If they are available, the manager of the function should draft a short statement of work describing the required work, including information on historical or anticipated workload. Market research should be performed by the General Services Procurement Office, with assistance and input, as appropriate, from the Foreign Commercial Service office or any other source familiar with local market conditions. Internet research or other announcements may also be utilized.

4. **Developing the business case:** Compare in-house versus contractor performance costs. Use the template provided on the M/R website for this purpose. The cost of contractor performance may be obtained through soliciting quotations or comparing existing pricing information such as advertising, price lists, or comparable contracts. In comparing prices, if the anticipated savings is less than 10%, in general the service will be retained in-house unless there are other advantages (e.g., quality) to be gained by outsourcing. If contractor costs appear to be advantageous to the government (i.e., cheaper than in-house performance of the function), conduct a formal solicitation, verify that the proposed performance standards by the contractor selected are acceptable, and, if they are, award a contract to the most advantageous contractor. Note that some vendors may have difficulty accurately placing costs into the categories provided in the standard template. In such cases, posts may need to adjust the template categories to better describe the data at post and reflect special, local circumstances.
5. **Craft a “soft landing strategy”:** Competitive sourcing may involve displacing current staff if a decision is made to replace a function currently performed by LE Staff (locally resident foreign national and American direct-hire and PSA staff) with a commercial contract. Successful outsourcing of commercial functions depends on having a well-thought-out “soft landing strategy” to assist displaced staff. Entitlements payable to personnel involuntarily separated vary by country. All posts should have a current mission-wide reduction-in-force plan in their LE Staff handbook prior to beginning this exercise. Posts whose RIF plans are not current should contact HR/OE/HRM for guidance. Posts may need to consult a local labor law attorney at some point during the competitive sourcing evaluation. Posts that do not have local labor counsel retained should contact L/EMP for guidance on how to do so.

Regionalization

Identify all activities (of all agencies) not performed at your post, because they are performed on your behalf by regional or U.S.-based Government personnel. These may be programmatic (e.g., Customs, Commerce) or administrative (e.g., position classification, voucher examining). The President’s Letter of Instruction to Chiefs of Mission states:

“I ask that you review programs, personnel, and funding levels regularly, and ensure that all agencies attached to your Mission do likewise. Functions that can be performed by personnel based in the United States or at regional offices overseas should not be performed at post.”

Identify any activities presently performed at your post which may be outsourced to a regional center.

Substitution of LES for USDH Positions

Identify USDH positions for which LES may be substituted. If you are unable to make any substitutions at this time, explain why and what steps you will take to get to this point.

III. Mission Staffing Levels

Complete the Summary Staffing Table, including all sections/agencies, showing current staffing levels, projected staffing levels, and the net change (+ or -). The Summary Staffing Table must agree with the data in Post Personnel.

IV. ICASS Service Matrix

One crucial element of the rightsizing review will be a matrix inventory of ICASS services and the ICASS subscribers at post. A standard format is attached. Lite posts should also use the standard matrix to identify those sub-services where customer agencies do not participate. This will allow post to identify those specific services where agencies non-participate in a service by way of a modification, and may be engaged in duplicative activities.

The Service Matrix will clearly show which services are provided to which agencies, and which not. In every instance where an agency or budget element does not subscribe to an ICASS service, an explanation and/or analysis of why they do not subscribe should be included, even if only a sentence or two; e.g., a service is provided to the agency from the United States or the agency simply doesn't need such a service and doesn't provide it to itself or its employees. If there are special reasons for an apparent duplication (geographic location or a specialized program component of service), that should be explained as well.

V. Post Personnel and the Long-Range Overseas Building Plan

The staffing information in Post Personnel is the basis for considering rightsized staffing. For posts receiving a NEC, Post Personnel must include all current positions in the mission (all employees in mission facilities and other facilities, and non-employees or contractors in mission facilities). Projected positions (to be added or abolished) must also be included in Post Personnel.

As of October 1, 2006, Post Personnel will populate the OBO LROBP (database) so that posts will not need to maintain two databases. Post Personnel must be complete and include a count of all projected staff, American and FSN, desk and non-desk, CAA and non-CAA, appropriately grouped by all components of all agencies, with descriptive job titles, employment status and grade. For posts not receiving a NEC, completing a rightsizing review as part of the five-year process, Post Personnel will populate the CSCS (Construction Security Cost Sharing) database. Project in Post Personnel the addition or abolition of positions as the rightsizing study indicates.

Post Personnel will need to be completed for all agencies and staff of the mission who will not be resident in the NEC. The CSCS Staffing Pattern will need to be completed by adding all projected positions (established and abolished positions) that will be in the NEC and in the mission. Please be sure to identify those positions which will occupy space in the NEC and those which will not.

It is essential that the Post Personnel data and the Summary Staffing Table match. Please take extra time to verify that there are no discrepancies.



Additional Instructions on Administrative Services

While all rightsizing efforts and suggestions are welcome, one of the most easily identifiable areas of duplication at many posts is administrative support services. Posts should pay careful attention to:

- The elimination of any services that are duplicative or similar to ICASS services at post;
- The elimination of separate housing pools;
- The creation of property pools, especially residential furniture, furnishings, appliances and equipment (FFA&E) pools.

For posts receiving new embassy compounds, all administrative positions of all agencies including ICASS should be removed from their owning agency on the staffing projection and placed in one location in the staffing projection called Joint Management Service Section. The NEC will be constructed with spaces for the administrative staff of the Mission only as co-located or consolidated staff. The staffing projection should have no administrative personnel identified elsewhere in the mission (drivers, janitors, procurement, administrative assistants, etc.), except in one part called Joint Management Services. A driver is a driver, an HR Specialist is an HR Specialist, warehouse staff is warehouse staff, regardless of agency. We must overcome creating physical impediments to consolidation of services and cooperation between like functions of the U.S. Government overseas. Such an arrangement will improve the working cooperation of the personnel and is a clear statement of the intention of the COM to deal with consolidation. In general, merging and consolidation lead to efficiencies, economies of scale and standardization, which, when properly managed, translate into reduced cost with equivalent or superior service. As such, this effort directly responds to the ICASS Executive Board's call for reducing the cost of support services.

OMB has specifically tasked the Department to identify and eliminate unnecessary duplicative or parallel functions concurrent with moves to an NEC; for those duplicated services which will not be eliminated, the embassy must provide a justification which will withstand the scrutiny of OMB and Congress.

Specialized Programmatic Functions

When considering whether duplication exists, agency-specific functional requirements should be considered; similar title of the job or function is not, by itself, determinative. If an agency has specialized program managers, as, for instance, USAID and DCMA may have in contracting, ICASS may or may not be able to provide such services. However, procurement management which provides contracting solely to meet administrative requirements would be duplicative since that is a service ICASS offers. Other functions which may be designated specialized programmatic functions should be similarly scrutinized. These considerations only affect decisions regarding consolidation of these services. Like functions; e.g., contracting, must be co-located whether consolidated or not.



Co-location, Consolidation and Annexes

Like functions should always be co-located to the maximum extent possible. For instance, programmatic personnel of agencies involved in providing foreign assistance should be co-located along with other programmatic elements of the mission, in the chancery. Law enforcement elements should also be co-located. Co-location facilitates closer working relationships among Chief of Mission staff, and enables better coordination of mission programs. Likewise, all administrative functions whether or not consolidated into one administrative platform should nevertheless be co-located. E.g., Agencies with their own IT systems should be co-located (personnel, servers, equipment) with the ICASS information service center.

Generally speaking, the fact that a mission may be located in several annexes is not sufficient to justify separate service providers at each annex. The Department of State has many missions abroad that are located in annexes (chancery in one place, consulate section on the other side of town, GSO warehouse out of town) but it has never been an efficient or economical practice to create separate management sections for each annex. And so it is with agencies in separate annexes. To the maximum extent possible, the Chief of Mission should rationalize the placement of all functions among the annexes of the mission to encourage more efficient operations administratively and programmatically.

Non-ICASS Services

While support services are primarily encompassed within ICASS, it may be that certain support services (e.g. some security or communications services) might fall outside of ICASS. Posts are encouraged to identify and explore options for eliminating duplication, competitive sourcing, or regionalizing those support service areas also.

Ratio Analysis

The optimum PART ratio of administrative support staff to customers has been determined to be 1:18. (This assumes that each administrative service will be provided from one consolidated administrative platform.) To determine the current or projected ratio at your post, add all of the non-ICASS American staff reported through Basic Package and divide by the corresponding number of American ICASS staff reported for Basic Package. This ratio involves American employees only. In certain circumstances, posts may not be able to reach the target ratio because of specific local conditions, and in any case this figure should not be held as an absolute number, but rather as a guideline, particularly for posts in developed countries.

A Word About Particular Situations

Consulates

Not all of the instructions above can be made to apply to Consulates. Generally, there is no duplication of services at a consulate in terms of agencies competing with one another. However, it is often the case that Consulates have been provided additional staff to perform services that could just as easily, and more efficiently, be provided by the Embassy; e.g., a voucher examiner or commercial work, or from a regional center. Embassies, certainly with the Consulates' participation, must do the rightsizing study of consulate staffing and determine whether the consulate is appropriately staffed.

All posts, including constituent posts, require individual detailed staffing in Post Personnel. Small consulates may be included as a separate line item on the Summary Staffing Table; however, if constituent posts have multiple units and agencies, it will be simpler for posts and M/R to prepare a separate Summary Staffing Table for each post.

Five-Year Studies

Posts involved in Five Year Studies do not have some of the advantages of adapting a new building to the present staffing requirements. Nevertheless, posts must take the steps of determining existing staffing and projected staffing, and then conducting a rightsizing study of that staffing. With an NEC project, the building will be the product of that study. For existing facilities, the post must take a radical look at how agencies/sections are placed in current facilities with an eye to maximizing operations through appropriate placement of personnel and sections. The co-location of all administrative functions mentioned above will sometimes create a great deal of displacement of staff within existing facilities, but may still be feasible. Outsourcing and replacement of U.S. direct-hire staff with locally-engaged staff are further options to reduce the overall footprint and improve efficiency.

Available Guidance

During the entire phase of preparing the rightsizing report, the post is encouraged to maintain an active dialogue with the Office of Rightsizing (M/R) as well as the Regional Bureau (Executive Office, Desk, and PD Desk). As indicated above, the Office of Rightsizing will conduct DVCs with posts after they have had initial meetings to discuss their approach to rightsizing; this will give everyone an opportunity to participate in a group discussion to ensure that the post is on the right track. If necessary, the M/R analyst may also travel to post to meet with agency officials and assist the post in realizing its rightsizing objectives or in achieving inter-agency consensus.

Post's rightsizing analyst from M/R will send the post, along with these instructions, a sample rightsizing report. This should serve as a model for the post's submission, though individual cases will obviously differ.



What Happens Next?

Post will provide its rightsizing package to its Regional Bureau Executive Director. The package will include at a minimum:

- The Chief of Mission's Certification;
- The Rightsizing Report with Summary Staffing Table, as described above and outlined in the sample report sent to post;
- The ICASS Services Matrix; and the
- Competitive Sourcing Module

The regional executive office will then forward the Bureau-approved post staffing projection and Bureau-approved rightsizing package to M/R. M/R will review and approve Rightsizing Reports, or provide comments back to the Bureau on areas in which M/R has questions or concerns about post's rightsizing plan. For NEC projects, M/R will notify OBO when the staffing projections and Rightsizing Reports have been approved.

The final audience for all Rightsizing Reports is OMB, GAO and Congress. These reports are mandated by Congress. OMB closely reads these reports, especially for NEC projects, in correlating the Department's budget requests. GAO has this area of the Department's endeavors under constant scrutiny. As you conduct your rightsizing exercise, and document your efforts via the reporting, please keep this audience in mind.

Chief of Mission's Certification

In accordance with the instructions of the President and Congressional requirements, I certify that I and my Country Team have carefully considered all the components of U.S. Mission in (country). The staffing reflected in this report is correct. The Rightsizing Report comprehensively discusses the essential purpose of each agency and position. The goals of this mission are reflected in the Goal Paper and the Mission Performance Plan.

New positions and agencies projected in out-years have been confirmed with each agency. I consider all such agencies and positions essential to the future requirements of this mission.

I have directed the elimination of all duplicative functions among agencies of the Mission. I and my Country Team have considered the available options for regionalizing and competitively sourcing both program and program support requirements. Functions that can be performed by personnel based in the United States or at regional offices overseas will not be performed at post. All Mission elements, current and projected, in (country) are essential and are the minimum necessary for the proper performance of the Mission's responsibilities.

Sincerely,

(name)

Rightsizing Checklist

Each post should begin with the following basic set of questions about the goals and functions of the Mission.

MISSION PRIORITIES AND REQUIREMENTS

1. What are the post's priorities (i.e., USG priorities)?
2. Does each agency's mission reinforce post priorities?
3. What are the staffing levels and mission of each agency?
4. How do agencies determine their post staffing levels?
5. Is there an adequate justification for the number of employees at each agency compared with the agency's mission?
6. Is there adequate justification for the number of direct hire personnel devoted to support and administrative operations?
7. Is the mix between US and LES employees optimal?
8. To what extent are mission priorities not being sufficiently addressed due to staffing limitations or other impediments?
9. To what extent are workload requirements validated and prioritized and is the post able to balance them with core functions?
10. Do the activities of any agencies overlap?
11. Given post priorities and the staffing profile, are increases in the number of existing staff or additional agency representation (i.e., agencies not currently represented at post) needed?
12. To what extent is it necessary for each agency to maintain its current presence in country, given the scope of its responsibilities and its mission?
13. Could an agency's mission be pursued in other ways?
14. Does an agency have regional responsibilities or is its mission entirely focused on the host country?

PHYSICAL/TECHNICAL SECURITY OF FACILITIES AND EMPLOYEES

1. What is the threat and security profile of the post?
2. Has the ability to protect personnel been a factor in determining post staffing levels?
3. To what extent are existing office buildings secure?
4. Is existing space being optimally used?
5. Have all practical options for improving the security of facilities been considered?
6. Do issues involving facility security put the staff at an unacceptable level of risk or limit mission accomplishment?
7. What is the capacity level of the host country police, military, and intelligence services?
8. Do security vulnerabilities suggest the need to reduce or relocate staff?
9. Do health conditions in the host country pose personal security concerns that limit the number of employees that should be assigned to the post?

COST OF OPERATIONS

1. What is the post's total annual operating cost?
2. What are the operating costs for each agency at post?
3. To what extent are agencies considering the full cost of operations in making staffing decisions?
4. To what extent are costs commensurate with the post's overall strategic importance, with agency programs, and with specific products and services?

CONSIDERATION OF RIGHTSIZING OPTIONS

1. What are the mission, security, and cost implications of relocating certain functions to the United States, regional centers, or to other locations, such as commercial space or host country counterpart agencies?
2. To what extent could agency programmatic and/or routine administrative functions (e.g., procurement, logistics, and financial management functions) be handled from a regional center or other locations?
3. Do new technologies and transportation links offer greater opportunities for operational support from other locations?
4. Do the host country and regional environments suggest there are options for doing business differently, that is, are there adequate transportation and communications links and a responsive private sector?



5. To what extent is it practical to purchase post services from the private sector?
6. Does the ratio of support staff to programmatic staff at the embassy suggest opportunities for streamlining?
7. Can functions be reengineered to provide greater efficiencies and reduce requirements for personnel?
8. Are the functions of the mission appropriately co-located in all mission facilities; e.g., like programmatic activities are located together, like administrative functions are located together in one facility?
9. Are there best practices of other posts or private corporations that could be adapted by the post?
10. To what extent are there US or host country legal, policy, or procedural obstacles that may impact the feasibility of rightsizing options?

Rightsizing Service Matrix: ICASS Services Subscription

[illegible]

Instructions:

Enter X for fully subscribed, .6 and 3. as appropriate for modifications, and blank for not subscribed. For those services at a Lite post that are aggregated (GSO, FMO, IM, etc.), if the agency is fully subscribed or not subscribed at all to a cluster, then you don't need to make any further notations in the sub-services. If they are modified in that cluster, please make a notation as to which sub-services the agency receives and which not based on the modification.

The second page is where you enter your workload counts, the ones you have. If you're a Lite post, you won't have all the workload counts for all the services, but you may for some. While GSO is per capita, most embassies still track miles driven per agency, number of customs/shipping actions per agency.

Competitive Sourcing Template

For more information about using the template, see Rightsizing Procedures, Section II, Item 4, “Developing a business case” (p. 29.)

Only worksheets for services that post has identified are NOT inherently governmental AND where there is potential on the local market to outsource need to be filled out.

In comparing prices, if the anticipated savings is less than 10%, in general the service will be retained in-house unless there are other advantages (e.g., quality) to be gained by outsourcing.

All cells highlighted in YELLOW are data required to cost out the business case to determine whether post should either commercially outsource or keep the service in-house.

CAPITAL SECURITY COST SHARING PER CAPITA COSTS:

	FY2006	FY2007	FY2008	FY2009-10
Non-CAA Office	\$11,258	\$16,886	\$16,391	\$20,488
Non-Office	\$1,976	\$2,964	\$2,837	\$3,546

Worksheets - Quick Finder:

In Excel, click on the hyperlinks below to take you directly to each of the individual costing worksheets. There are also hyperlinks in the upper left hand corner of each worksheet that will take you directly back to this main page as well.

- ▶ Computer Services (Information Management Technical Support)
- ▶ Health Services
- ▶ Non-Residential Local Guard Program
- ▶ Security
- ▶ Motorpool
- ▶ Vehicle Maintenance
- ▶ Reproduction
- ▶ Shipping & Customs
- ▶ Non-Expendable Property Management (Warehousing)
- ▶ Administrative Supply
- ▶ Leasing
- ▶ Travel
- ▶ Pouching
- ▶ Mail and Messenger
- ▶ Reception & Switchboard
- ▶ Budget & Financial Plans
- ▶ Accounts & Records
- ▶ Payrolling
- ▶ Vouchering
- ▶ Cashiering
- ▶ US Citizen Personnel Services
- ▶ LES Personnel Services
- ▶ GO/LTL and STL Building & Operating Expenses (Office)
- ▶ GO/LTL and STL Building & Operating Expenses (Residential)
- ▶ Language Instruction, Translating, Interpreting, Translating
- ▶ Interpreting



Competitive Sourcing Template

Sample Worksheet

Cost Factors	Description	In-House	Commercial Provider	Comments
Annual Wages	(1776 hours = 1 staff year). Post should use the mid-step level annual salary rate for each position providing services in this service area.			
Fringe Benefits	Include All Employee Benefits: Retirement, Insurance & Health, Medicare, Worker's Compensation, Unemployment, Cash Awards, Quality Step Increases, Bonuses, Housing & Transportation Allowance, or Other Miscellaneous Allowances			
Other Entitlements	Include All Other Entitlements: Differential Pay, Night Shift Pay, Sunday Pay, Hazardous Duty (Danger) Pay, Overtime, Holiday Pay, Premium Pay, COLA's or Other Miscellaneous Entitlements			
Capital Security Cost Sharing Per Capita Charge (NON-CAA OFFICE)	These are typically USDH and/or LES staff positions that occupy a "standard" office space. These positions will typically be considered your professional staff. The per capita cost will be different depending on the fiscal year you are analyzing. See the chart in the INSTRUCTIONS-MENU worksheet.			
Capital Security Cost Sharing Per Capita Charge (NON-OFFICE)	These are typically USDH and/or LES staff positions that occupy a "standard" office space. These positions will typically be considered your professional staff. The per capita cost will be different depending on the fiscal year you are analyzing. See the chart in the INSTRUCTIONS-MENU worksheet.			
Materials & Supplies	Typically these will be your 2600 sub-object code budget line items.			
Depreciation	$\text{CURRENT DEPRECIATION VALUE} = \frac{\text{Original Cost/Useful Life}}{\text{Years Used}}$ If Years Used is less than or equal to Useful Life. If greater than Useful life Current Depreciation Value = Zero.			
Cost of Capital Assets	Include the cost of all 3100 sub-object budget line items.			
Rent	Include the rent of both office and residential space associated with this service area.			
Facilities	Include the cost of all facility contracts and costs associated with running the building(s) where the service is housed. These can be both 2500 & 2600 sub-object line items. Do not include Utilities here.			
Utilities	Include the cost of utilities - 2300 sub-object budget line items.			
Insurance	Include the cost of all insurance: Liability & Casualty			
Travel	Include all 2100 sub-object budget line item costs associated with this service area.			
Training	Include all training costs associated with this service area.			
Sub-Contractor Costs	Include all partial service costs of outsourced or sub-contractor labor & materials.			
Severance	Include the one-time severance costs with eliminating existing in-house positions. Get HR at post to identify these costs for the LES personnel assigned to this service area.			
Other One-Time Costs	Include all other one-time conversion costs, office moves, employee recruitment associated with transitioning this service to a different service provider.			
Overhead	Use the rate of 5% of total service costs above (excluding one-time costs) to calculate this overhead amount.			

TOTALS

\$0.00

\$0.00



Rightsizing Report Template

2006 Rightsizing Report
Mission X
December 15, 2006

I. Mission Goals and Objectives, Analysis of Duplicative Activity

Since the end of the conflict here in 200x, the United States has taken a lead role in the reconstruction of X. Today, this is still a work in progress, although much further advanced than some would have imagined ten years ago. As a result of the normalization process achieved within the country, we envision being able to reduce our staffing in X to reflect a reduced workload. A detailed breakdown of mission objectives, and the staffing required to meet those objectives, follows below.

Our principal mission objective is to develop a coherent, stable X on its way to membership in regional security and economic organizations. To achieve this objective, our chief priorities, in conjunction with international institutions, are:

COUNTERTERRORISM (CT)

Executive Office
Regional Security Office
Global Affairs Office
DOJ/ICITAP
FBI
DOJ/OPDAT
POL/ECON
Consulate A

The Regional Security Office runs an Anti-Terrorist Assistance program, training elite host country police counterterrorism units.

The Global Affairs Office works with host country counterterrorism officials to assist them in developing strategy and expertise in identifying, monitoring, and apprehending terrorist operatives. It has provided assistance to the host government in preparing the Intelligence Reform Law, providing a legal framework to denaturalize terrorists who gained Xian citizenship during the war.

The ICITAP program trains the local police force. Part of that training involves rule of law and civil society issues (in particular, policing in a multi-ethnic society), but a major focus is also on counterterrorism measures.

The Legal Attaché Office (FBI) investigates criminal activities, and provides logistical expertise to host country law enforcement in the investigation of counterterrorist and other acts.

The DOJ OPDAT office provides guidance to train prosecutors and judges in successfully prosecuting counterterrorism and related cases.

The POL/ECON section works with host government officials at all levels, with Parliament, with G8 and other embassies, and with NGOs and international organizations to enhance the host government's understanding of, preparedness for, and response to counterterrorism issues. It works with Parliament to ensure that effective counter-terrorism legislation is enacted. It also reports to an avid Washington readership on the success of the host government's counterterrorism readiness and action plans. The POL/ECON section also works with host government financial and law enforcement institutions to combat terrorist finance.

The Consular Section supports counterterrorism goals through adjudicating applications for non-immigrant and immigrant visas, conducting fraud investigations, and protecting the welfare of American citizens. Consular staffing needs to increase from three officers to four and FSN staffing from 5 to 6, as Xians, freed from concerns about ethnic violence and with higher disposable incomes as the economy improves, contemplate travel to the United States, and as Homeland Security regulations dictate that more work is done by American officers rather than FSNs. Over the next five years we anticipate a slight drop in the number of American citizens present in the country, as NGOs scale back their activities. X is not (yet) a tourist destination for Americans.

Our constituent post supports counterterrorism efforts by ensuring that the coöperative programs we have organized at the national level filter down to the regional and local level. Constituent post personnel engage with both provincial and local government officials and police to identify suitable candidates for the mission's training programs.

Assessment: An aggressive, broad-based inter-agency approach to this highest priority, utilizing a great variety of perspectives and skill sets, ensures that we achieve the widest possible cooperation from the GOX, particularly given the continued presence of mujaheddin fighters who remained after the war and "charitable" non-governmental organizations funded by the Saudis and others that continue to operate in X, providing a channel for the flow of money to extremists and terrorists. The mission's Counterterrorism Committee, which meets weekly, ensures that any duplication of effort is kept to a strict minimum and that information is regularly shared interagency, with the Political/Economic section taking the lead in reporting on both USG and GOX activities, and the Executive Office playing a strong central coordination role. (Increase 1 USDH - 1 FSN)

REGIONAL STABILITY (RS)

Executive Office
POL/ECON Defense Attaché Office
Office of Defense Cooperation
Consulate A

The Political/Economic Section engages with host government institutions to seek official co-operation with war crimes tribunals and effective civilian control of the military by Parliament

and the new, unified Ministry of Defense. The section also reports extensively on peace-building efforts, such as destruction (with U.S. help) of a massive stock of over 6,000 shoulder-fired anti-aircraft missiles.

The Defense Attaché Office works actively with its counterparts in the nascent Ministry of Defense to establish an appropriate institutional framework. It also assists that Ministry in the establishment of a state-level integrated peace-supporting capability, and coordinates demining efforts with the host government.

The Office of Defense Cooperation supports the capability of the GOX military by offering IMET and other training programs to host country services.

Our constituent post, located in a minority ethnic area, is intensively involved with NGOs and government institutions to support peace-building efforts in that geographic region. An activist public diplomacy program complements these efforts, including extensive public speaking on multi-cultural societies.

Assessment: There is some duplication of reporting between POL/ECON and DAO, and a diminished interest overall by Washington readership now that X is no longer the world's principal trouble spot. Current POL/ECON staffing devoted to this area is no longer appropriate, given the normalization of the internal and external political situation since the end of the war, and the GOX success in building appropriate institutions to support the peace. POL/ECON is reducing its staff by two Political Officers due to decreased workload. (Downsize: 2 USDH)

INTERNATIONAL CRIME (IC)

Executive Office
Regional Security Office
FBI
DOJ/ICITAP
DOJ/OPDAT
POL/ECON

The Regional Security Office works with local law enforcement officials and deploys Marine Security Guards and a local guard force to secure the Embassy's premises, people, and information. Due to the post's critical threat status, a sizable regional security force is required to protect Embassy personnel and property.

The FBI works with host country law enforcement counterparts to investigate and solve a wide variety of criminal activities, including organized crime.

The ICITAP program provides training by police experts to train police forces to effectively investigate crimes and apprehend criminals, while respecting human rights and reducing ethnic tensions.

The OPDAT program provides training by Resident Legal Advisers to train prosecutors and judges in successfully prosecuting criminals and justifying appropriate sentences.

The POL/ECON section works with the Parliament and host government to ensure enactment



and enforcement of appropriate legislation, with a key emphasis on anti-trafficking measures, which will hopefully ensure that X is moved from Tier III to Tier II.

Assessment: The need for large numbers of host country law enforcement and judicial personnel to be trained as soon as possible presents a significant challenge to the USG. A single OPDAT advisor has been insufficient to accomplish the extensive training requirements of the host country judiciary, and DOJ will need to staff a second position to accelerate the effectiveness of this program. Two ICITAP personnel are also insufficient to meet the police training mandate, and will need to be augmented by a third. As noted in CT above, the Counterterrorism Committee, which brings all of the law enforcement entities in the mission together on a weekly basis, with strong Executive Office coordination, prevents duplicative activities and ensures frequent communication. (Increase: 1 USDH desk, 1 USDH non-desk)

ECONOMIC PROSPERITY (EP)

Executive Office
POL/ECON
FAS
FCS
Treasury
USAID
Consulate A

The POL/ECON section is actively working with host country ministries and international financial institutions to restructure X's substantial internal debt, and to assist the GOX in battling rampant corruption, which adversely affects foreign (including U.S.) investment in the country.

The Foreign Agricultural Service and Foreign Commercial Service have minimal presences advocating U.S. agricultural and commercial exports. Primary responsibility for these functions rests with personnel at regional platforms.

The Treasury advisors assist the GOX in formulation and implementation of tax reform, in particular a value-added tax.

USAID has focused its Economic Growth Program on removing barriers to the development of small and medium-sized enterprises.

Our constituent post in A, a major commercial center, has been very effective in slicing through bureaucratic red tape impeding American investment in X. The consulate has been particularly helpful in achieving greater transparency in public tenders for infrastructure projects, in which American companies are now actively involved.

Assessment: As the Xian economy normalizes, the need for extensive U.S. involvement in the country's economic restructuring has diminished commensurately. The USG role will increasingly mirror that in other transitional economies of limited interest to U.S. markets. USAID is reducing its Economic Growth staff by 3 American and 3 FSN staff, and POL/ECON is reducing its staff by one Econ Officer. (Downsize: 2 USDH, 2 USPSC and 3 FSN)



DEMOCRACY (DE)

Executive Office
USAID
PAS
POL/ECON
Consulate A

USAID's democracy program focuses on providing guidance to host government ministries, NGOs, and political parties in establishing the structures governing the national, regional, and local political process and the administrative systems that will make it work. These activities are largely over. The remainder of USAID's democracy program is focused on facilitating the return of refugees.

The Public Affairs Office, through its exchange, speaker, and information programs, provides visible American support for X's ethnic diversity and in particular outreach to the majority Muslim community. Support for an active, free, and responsible press as a central vehicle in the democratic process is vital. Special funding for one USDH officer devoted exclusively to democracy programs is being withdrawn, and we will substitute a qualified FSN to continue much of the work at a fraction of the cost.

The POL/ECON section focuses its attention in the democracy area primarily on ensuring human rights - for all ethnic groups - during the drawdown of the international assistance community (including USAID), and on reporting on human rights issues to a Washington and regional readership.

Our consulate in A is heavily involved in grass-roots democracy-building, working in tandem with both NGOs and local and regional governments to ensure that the seeds of X's democracy continue to germinate and flourish. Consulate personnel support a range of civil society and good governance programs, and have begun holding American-style "town meetings" throughout their district to engage directly with local politicians and citizens.

Assessment: As indicated above, with the establishment (and testing, through elections) of democratic institutions and structures in X, USAID's democracy-building efforts in this area are largely completed. Residual USG interests in this area will be covered by PAS, POL/ECON, and Consulate A. USAID is reducing its Democracy staff by 3 American and 4 FSN staff, and PAS is replacing one USDH with one FSN. (Downsize: 1 USDH, 2 USPSC, and 4 FSN)

PUBLIC DIPLOMACY (PD)

PAS
Consulate A

The Public Affairs Section is responsible for advancing host country understanding of American policy and culture through a wide range of exchange, speaker, and information programs. Special emphasis has been placed on clarifying U.S. Middle East and counter-terrorism policy for X's Muslim-majority population.

Our Consulate in A, a majority-Christian area, also uses speaker programs, exchanges, and media

outreach to promote American policy. Thanks to its contacts and insights in the Christian community, we can field very effective multi-ethnic exchange groups, which further foster mutual understanding and political stability.

Assessment: With the elimination of the special democracy-focused position discussed above, the Public Affairs staff will consist of a Public Affairs Officer, Information Officer, and Cultural Affairs Officer to handle the wide range of public affairs responsibilities, in particular Muslim outreach. (Rightsized)

MANAGEMENT (MG)

Management Office
ICASS Mgt Staff
USAID Mgt Staff

The USAID Executive Office is presently responsible for the proper execution of its development and reconstruction projects, in addition to providing general administrative support. The Deputy Executive Officer position will be abolished upon co-location in the NEC, an adjustment that reflects the reduced USAID presence at post. With co-location and consolidation of services, The AID Executive Officer will also take responsibility for overseeing the Human Resources Office, permitting the elimination of one USDH position there.

The DOS Management Officer is responsible for the administrative support of all agencies at post, as provided through ICASS. The USDH OMS may be effectively replaced by an LES OMS.

Assessment: USAID is reducing the Executive Office staff by one American position, reflecting the smaller USAID presence after FY-09. MGT is replacing one US desk with one LES desk (- 2 US desk, + 1 LES desk)

Financial Management

ICASS FMO Staff
USAID Controller's Office Staff

ICASS FMO office provides a variety of financial services to all agencies at post. All non-State budgeting is handled by the other agencies, either here, in regional centers, or domestically. Public Diplomacy does its own budgeting in-house, although with major assistance from ICASS FMO. With the exception of the Treasury USPSCs, ICASS handles vouchering for all agencies. USAID sends a minor number of its vouchers through FMO, the rest being processed by its own Finance staff; with the move to the NEC, these processes can be consolidated. All agencies use the ICASS cashier, with the exception of USAID, which has its own cashier. One cashier position (either AID or State) will be abolished when the NEC is occupied.

Assessment: The duplication of cashier and voucher services will cease upon the move to the NEC when one cashier position and 3 voucher clerks are abolished. USAID will also abolish one American position at that time. Decreased DOS staffing will necessitate the abolishment of one ICASS FSN position. (Downsize: 1 USDH - 5 FSN desks)



Human Resources

ICASS HR Staff

USAID HR Staff

The ICASS HR office provides FSN personnel services for State, ODC, FAS, FCS, DOJ, FBI, MSG, PD, and DIA, plus reduced services for USAID. They offer US personnel services for State, with reduced services for USAID. All other agencies are serviced through their regional or domestic offices. (See service matrix for details)

USAID HR presently supports the USAID USPSCs and USDHs, including contract negotiation, allowances, renewals, and medical clearances, as applicable. They also provide CAJE classification, personnel actions and records for USAID FSNs. They also review funding and personnel proposals for the program offices. They also run the USAID training program, including in-house and external training, in compliance with USAID directives.

Assessment: All HR functions are duplicative, and can be consolidated no later than the move to the NEC. At that point, USAID will sign up for full ICASS HR services, and the combined staff will be reduced by at least four FSN desk positions. The USDH HR position will also be abolished, at the AID Executive Officer will provide supervision of the HR function. At the same time, however, we want to take advantage of the Regional Services Center in Frankfurt by regionalizing a significant portion of our HR portfolio, to include: position classification (CAJE), maintenance of the staffing pattern, coordination of LES evaluations, and preparation of LES personnel actions. We will continue managing the American program, awards, recruitment, and training. (Downsize: 1 USDH, 4 FSN desks)

Computer Services

State and ICASS IRM

USAID Computer Management

USAID and State are working actively toward consolidation of their overseas systems platforms. Most of the software and all of the hardware in the AID and ICASS computer systems is off-the-shelf and can be maintained by ICASS. At least one FSN desk position can be eliminated as a result. (Note: The USDH personnel are responsible for additional services beyond computers, such as classified communications, pouch, mail, reception, cell phones, IVG, and information security).

Assessment: Co-locating all sections and agencies in the NEC will create a number of economies of scale in the Computer Services section. All DOS systems can be supported from a single unclassified server room. No more support will need to be given to remote offices. The new state-of-the-art IM infrastructure will require less repair and modification. (Downsize: 1 FSN desk)

Telephone/Reception

ICASS

USAID

Co-location in the NEC will preclude the need for two parallel telephone operator/receptionist teams. Three telephone operator positions and one receptionist position will be abolished upon co-location in the NEC. Co-location in the NEC will reduce the need for telephone techni-

cians to support outlying offices. The telephone infrastructure in the NEC should need little maintenance and repair for some years.

Assessment: Duplication exists. (Downsize: 5 FSN desks)

Supply

ICASS

USAID

When all sections and agencies are co-located in the NEC, the need for a large supply staff will diminish. The on-compound location warehouse will minimize the lead time required to supply stock items. Within the next year, USAID and ICASS will complete a review of supply services to determine how to combine them under one service provider, either USAID or ICASS. At least two positions will be abolished upon consolidation/moving to the NEC.

Assessment: Duplication exists. By the end of the year, the post ICASS Council will decide between USAID- or ICASS-provided supply services. (Downsize: 2 FSN desks)

Housing

ICASS

USAID

Upon direction from Washington, AID and State have combined their housing pools. As a result all housing services are provided by ICASS, and one housing position will be eliminated.

Assessment: Duplication exists. One position will be eliminated. (Downsize: 1 FSN/EFM desk)

Procurement

ICASS

USAID

USAID does not subscribe to ICASS Procurement services. It has one FSN to procure supplies and services and a large, experienced contracting section, which performs far more complex procurement actions than its ICASS counterparts.

Assessment: There is duplication in the procurement section. AID will present a proposal to the ICASS Council to become an alternate service provider, resulting in consolidation of the two sections and a reduction of two FSNs and one ICASS General Services Officer. (Downsize: 1 USDH - 2 FSN desks)

Travel

ICASS

USAID

Until now no big-name travel agencies, such as American Express or Carlson Wagon-Lit, have had local representation. However, Wagon-Lit has just announced plans to open an office. By the time the NEC is completed, it will offer full travel services. ICASS will retain one travel FSN to monitor the contract and assist with US Government travel regulations. At the same



time, the VIP Coordinator position has become less essential as X slides out of the spotlight of world interest and fewer high-level visitors fly in and out of post.

Assessment: Both duplication and an opportunity for outsourcing exist. After all agencies move into the NEC, American Express will be the principal travel service provider. (Downsize: 1 EFM and 3 FSN positions)

Motor Pool

ICASS
USAID
DOJ
DIA

Co-location will reduce the need for some of the in-town driving, and enable consolidation of multiple motor pools into ICASS. The on-compound location of the MSGQ will reduce the need for Marine duty drivers. With consolidation, there is no need for 5 supervisory/dispatch personnel. These positions can be reduced by 2. Driver positions will not be filled when they come open until the total has been reduced by three. In addition, the USDH position will be abolished upon the departure of the incumbent, and the responsibilities assigned to the Customs and Shipping GSO.

Assessment: Duplication exists. (Downsize: 2 FSN desks – 3 drivers)

Shipping and Customs

ICASS
USAID

After completing a cost comparison, USAID decided that ICASS provided more cost-efficient services in Shipping and Customs. It is now receiving this service from ICASS.

Assessment: No duplication exists. (Rightsized)

Facilities Maintenance

OBO/ICASS
USAID

The move to the New Embassy Compound will have a profound effect on the Facilities Maintenance section. The state-of-the-art facility will require an education, computer-savvy staff of FSNs. The mechanics, electricians, and engineers will all be closely scrutinized to determine which have the needed talents. An initial study suggests that one technical position could be eliminated, plus an additional two non-skilled labor positions. Likewise, an additional HVAC technician may have to be added to the staff. USAID will reduce its facilities staff by 12 positions prior to the move to the NEC.

Outsourcing considerations: Gardeners, laborers, and char force are traditionally areas most appropriate for outsourcing. AID's Economic Growth Program has targeted the development of small and medium-sized enterprises, and two of these – in gardening and janitorial services – are being piloted.

Assessment: With USAID abolishing all but five of its maintenance positions, there is little duplication of functions. The one area of overlap is in residential maintenance. Now that the housing pool will be merged, a joint maintenance staff makes sense. (Downsize: 1 FSN desk – 14 FSN non-desk)

Warehouse

ICASS

USAID

USAID and ICASS will merge their operations in the NEC on-compound warehouse. This will lead to a further reduction in the number of FSN positions required.

Assessment: Duplication exists. After the move, there will be no need for two separate warehouses. When operations are combined in a single facility, with a single service-provider, three FSN positions will be eliminated. (Downsize: 3 FSN non-desk)

II. Competitive Sourcing, Regionalization, Substitution of LES for USDH Positions

Competitive Sourcing

Basic Package: Much of this cost center is inherently governmental, as it involves significant decision making. Some functions which are not inherently governmental, such as cost of living surveys, post already contracts.

Community Liaison Office: Potentially commercial, not subject to market analysis. Department has determined this function is reserved for eligible family members to provide spousal employment opportunities.

Computer Services: Potentially commercial, subject to market analysis. Post conducted a solicitation to determine the cost of providing this service commercially. The ICASS unit cost is \$365. The commercial cost was \$355, representing less than a 10% savings. Based on the minimal difference, post determined it was more advantageous not to outsource and avoid the disruption of transition.

Health Services: Potentially commercial, but not subject to market analysis. The Regional Medical Officer recommends against local clinics except in real emergencies, because of a lack of sterile conditions and poor nursing quality. As a result, the Department provides a Foreign Service Nurse Practitioner.

Non-Residential Local Guard Program: Potentially commercial, already outsourced.

LES Security Services: Potentially commercial, not subject to market analysis. The RSO has determined that local security conditions require an employee workforce to maximize safety.

Vehicle Maintenance: Potentially commercial, already outsourced.

Administrative Supply: Potentially commercial, subject to market analysis. However, since the property management function, which uses the same staff, will not be outsourced, neither will this.



Procurement: Inherently governmental.

Reproduction: Potentially commercial, already outsourced.

Shipping and Customs: The actual shipping part is potentially commercial, and already outsourced. Most of the remaining functions, because they involve significant decision making, are inherently governmental.

Direct Vehicle Operations: Potentially commercial, subject to market analysis. Post conducted a solicitation to determine the cost of providing this service commercially. The ICASS unit cost is 35 cents per kilometer. The cheapest bid received was 39 cents per kilometer.

Non-Expendable Property Management: Potentially commercial, subject to market analysis. Post conducted a solicitation to determine the cost of providing this service commercially. The ICASS unit cost is \$2.65 per item inventoried. The lowest bid received was \$2.61. Because of the marginal difference, the embassy opted not to outsource this function.

Leasing: Potentially commercial (except for lease signature), but not subject to market analysis. Despite the development of the local economy, there is widespread corruption in the real estate business (our FSN leasing assistant has been asked repeatedly to pay bribes to brokers).

Travel Services: Potentially commercial, to be analyzed by the time the NEC opens.

Pouching: Potentially commercial, not subject to market analysis. Pouching security is integrated into other security requirements making it impractical to separate..

Mail and Messenger: Potentially commercial, but such a small function that it is not practical to outsource.

Reception and Switchboard: Potentially commercial, subject to market analysis. However, we were unable to locate a suitable contractor from whom to solicit a bid.

Budgets and Financial Plans: Post receives much of this service from the Frankfurt Regional Center. The remaining portion of this cost center is either inherently governmental or so small that it is impractical to outsource.

Accounts and Records: Potentially commercial, subject to market analysis. However, market analysis indicated that no Western accounting firms present in X were willing to consider such a small operation.

Payrolling: Payrolling is done by the Charleston Regional Center. The payroll liaison function occupies less than one FTE, and therefore is impractical to outsource.

Vouchering: Post's vouchering is being transferred to the Frankfurt Regional Center.

Cashiering: Potentially commercial, already outsourced.

U.S. Citizen Personnel Services: Part of this function is inherently governmental and part of it potentially commercial. However, the potentially commercial portion is too small to outsource in X.

LES Personnel Services: Part of this function is inherently governmental and part of it potentially commercial. A number of aspects of this function as also being regionalized to the Frankfurt Regional Center. As yet there are no “Manpower”-type recruitment companies offering services in X, but this will inevitably change as the economy develops.

Building Operating Expenses: Potentially commercial, subject to market analysis. Residential BOE expenses are generally performed by the landlord. Post conducted a solicitation to determine the cost of providing this service commercially. The ICASS unit cost is \$5.62 per square foot. The low bidder was \$4.08 per square foot. Post has begun outsourcing janitorial and gardening services, with the expectation of adding other maintenance functions as long as these pilots are successful. This will also give us time to reduce staff progressively.

Regionalization

A number of policy areas are already covered on a regional basis, and are no longer part of the mission’s workload.

For State, the labor portfolio, as well as the environment, science and technology portfolio, are both provided region-wide from Embassy Y.

For Agriculture, American oversight of the single FSN in X is provided from the FAS office at Embassy Y.

For Commerce, all commercial services are provided from the FCS office at Embassy Y. One FSN transferred from FCS to Econ serves as a point of contact.

In the administrative area, we are actively shifting responsibility for selected human resources and financial management activities to the Regional Support Center in Frankfurt: position classification, maintenance of the staffing pattern, coordination of LES evaluations, and preparation of LES personnel actions, as well as some budgeting and all vouchering. This will permit the elimination of four FSN desk positions.

Substitution of LES for USDH Positions

As political and economic conditions stabilize and more well-trained Xians return here to live, we expect to be able to substitute LES employees for some jobs now filled by Americans. The Agriculture Section has already demonstrated successfully how a single, well-trained, professional-level FSN, receiving direction from American staff at a regional platform, can be very effective at promoting American agricultural exports. Special funding for one Public Affairs American position is being withdrawn, but we are continuing the function by replacing that American officer with a well-trained FSN. We will continue to explore other areas to replace USDH positions with qualified FSNs.

III. Mission Staffing Levels

AGENCY	Current Staffing				Projected Staffing				Change			
	US Desk	LES Desk	Non Desk	Tot.	US Desk	LES Desk	Non Desk	Tot.	US Desk	LES Desk	Non Desk	Total
STATE	61	56	204	321	58	59	204	320	-3	+3	0	0
Executive	5	4	0	9	5	4	0	9	0	0	0	0
Political/Economic	14	9	0	23	11	10	0	21	-3	+1	0	-2
Global Affairs	19	0	0	19	19	0	0	19	0	0	0	0
Consular	3	5	0	8	4	6	0	10	+1	+1	0	+2
Public Affairs Office	4	11	0	15	3	12	0	14	-1	+1	0	0
Regional Security	6	18	199	223	6	18	199	223	0	0	0	0
Marine Security Guard	1	0	5	6	1	0	5	6	0	0	0	0
IPC/ITC	7	0	0	7	7	0	0	7	0	0	0	0
Consulate A	2	9	0	9	2	9	0	9	0	0	0	0
JOINT MANAGEMENT SERVICES	17	98	95	210	12	72	76	162	-5	-26	-19	-50
Management/CLO/ME D	6	6	0	12	4	7	0	11	-2	1	0	-1
General Services	5	39	47	91	3	29	40	72	-2	-10	-7	-19
Facilities	1	7	48	56	1	6	36	43	0	-1	-12	-13
Budget and Fiscal	2	15	0	17	1	10	0	11	-1	-5	0	-6
Human Resources	1	7	0	8	0	3	0	5	-1	-4	0	-5
Information Management	2	24	0	26	2	18	0	20	0	-6	0	-6
USAID	15	29	0	44	9	22	0	31	-6	-7	0	-13
AGRICULTURE	0	1	0	1	0	1	0	1	0	0	0	0
JUSTICE	4	2	2	8	5	2	3	10	+1	0	+1	+2
FBI	3	0	0	3	3	0	0	3	0	0	0	0
OPDAT	1	2	0	3	2	2	0	4	+1	0	0	+1
ICITAP	0	0	2	2	0	0	3	3	0	0	+1	+1
DEFENSE	5	7	0	12	5	7	0	12	0	0	0	0
DAO	5	1	0	6	5	1	0	6	0	0	0	0
ODC	0	6	0	6	0	6	0	6	0	0	0	0
TREASURY	0	0	2	2	0	0	2	2	0	0	0	0
COMMERCE	0	1	0	1	0	0	0	1	0	-1	0	-1
TOTAL	102	194	303	599	89	163	285	531	-14	-30	-18	-62

For the purposes of this rightsizing exercise, all administrative support positions have been combined on one chart. This is to facilitate the discussion of duplicated functions, most of which will be consolidated. Included in this chart are ICASS, USAID, and PAS positions.

Summary of Offices and Personnel Not Collocating into New Embassy Compound

Personnel at the constituent post, in addition to the following agencies and organizations, will not be co-locating: Treasury and ICITAP, both of which work out of host government ministries. In addition, the Foreign Commercial Service will be exiting from X and the sole FSN will be transferred into the ECON section.



Five-Year Projected Rightsizing Projects

Fiscal Year	Mission	Planned Capital Projects
FY05 Spring Cycle		
1.	Bosnia and Herzegovina	Sarajevo NEC FY06
2.	Burkina Faso	Ouagadougou NEC FY07
3.	Congo/D	Kinshasa NEC FY07
4.	Congo/R	Brazzaville NEC FY06
5.	Djibouti	Djibouti NEC FY06
6.	Ethiopia	Addis Ababa NEC FY07
7.	Fiji	Suva NEC FY05
8.	Gabon	Libreville NEC FY06
9.	Georgia	Tbilisi Annex FY06
10.	Indonesia	Surabaya NEC FY06
11.	Latvia	Riga NEC FY07
12.	Lebanon	Beirut NEC FY06
13.	Macedonia	Skopje Annex, Whse and MSGQ FY06
14.	Madagascar	Antanarivo NEC FY07
15.	Malta	Valletta NEC FY08
16.	Mexico	Mexico City NEC FY06
		Tijuana NEC FY10
17.	Micronesia	Interim Office Building FY05
18.	Nigeria	Abuja Anex FY06
19.	Norway	Oslo NEC FY07
20.	Palau	Interim Office Building FY05
21.	Philippines	Manila NEC FY07
22.	South Africa	Johannesburg NEC FY06
23.	Sudan	Khartoum Annex and MSGQ FY06
		Juba NEC FY??
24.	Serbia & Montenegro	Belgrade NEC FY07
25.	Zambia	Lusaka NEC FY07
FY06 Fall Cycle		
1.	Azerbaijan	Baku NEC FY08
2.	Brunei	Bandar Seri Begawan NEC FY08
3.	Burundi	Bujumbura NEC FY09
4.	Chad	N'djamena NEC FY09
5.	Dominican Republic	Santo Domingo NEC and Annex FY09
6.	Eritrea	Asmara NEC FY09
7.	Iceland	
8.	Indonesia	Jakarta NEC FY09
9.	Italy	Milan NEC FY09
10.	Liberia	Monrovia NEC FY08
11.	Libya	Tripoli NEC FY08
12.	Morocco	
13.	Mozambique	Maputo NEC and Annex FY08
14.	Pakistan	Karachi NEC FY08
		Peshawar NEC FY08
15.	Paraguay	Asuncion NEC FY08



Fiscal Year	Mission	Planned Capital Projects
FY06 Fall Cycle (cont'd)		
16.	Poland	Krakow NEC FY08
17.	Romania	Bucharest NEC FY09
18.	Russia	St. Petersburg NEC FY09
19.	Saudi Arabia	Jeddah NEC FY-08
		Riyadh NEC FY-??
		Dhahran NEC FY-??
20.	South Africa	Pretoria Annex FY08
21.	Sri Lanka	Colombo NEC FY09
22.	Taiwan	Taipei NEC FY07
23.	Tunisia	Tunis Language School FY-09
24.	Turkey	Ankara NEC FY09
25.	Ukraine	Kiev NEC and Annex FY09
26.	Zimbabwe	Harare NEC and Annex FY08
FY06 Spring Cycle		
27.	Algeria	
28.	Bermuda	
29.	Brazil	
30.	Colombia	
31.	Costa Rica	
32.	Denmark	
33.	Finland	
34.	Germany	
35.	Guyana	
36.	Holy See	
37.	India	Calcutta NEC FY-11
		Chennai NEC FY-10
		Hyderabad
38.	Ireland	
39.	Korea	Seoul NEC FY09
40.	Luxembourg	
41.	Malaysia	
42.	New Zealand	
43.	Singapore	
44.	Switzerland	
45.	United Kingdom	U.S. Mission USFODAG, Rome
47.	U.S. Perm Mission to the UN Office and Other Intl. Org in Geneva	
45.	United Kingdom	
46.	U.S. Mission USFODAG, Rome	
47.	U.S. Perm Mission to the UN Office and Other Intl. Org in Geneva	
FY07 Fall Cycle		
1.	Bangladesh	Dhaka Lease Fitout
2.	Benin	Cotonou NEC and Annex FY10
3.	Botswana	
4.	Burma	



Fiscal Year	Mission	Planned Capital Projects
FY07 Fall Cycle (cont'd)		
5.	Canada	Toronto NEC FY10
6.	Cape Verde	
7.	China	Guangzhou NEC FY08 Shanghai NEC FY13?
8.	Ecuador	Guyaquil Lease Fitout FY-09
9.	Equatorial Guinea	
10.	Hong Kong	
11.	Israel	Tel Aviv NEC and Annex FY10
12.	Japan	
13.	Jerusalem	Jerusalem NEC FY10
14.	Kosovo	Pristina NEC FY10
15.	Mauritania	Nouakchott NEC FY10
16.	Sierra Leone	
17.	Slovak Republic	Bratislava NEC FY10
18.	Suriname	Paramaribo NEC FY10
19.	Syria	Damascus NEC FY10
20.	Thailand	Chiang Mai NEC FY10
21.	U.S. Mission to ICAO, Montreal	
22.	United Arab Emirates	Dubai NEC FY10
FY07 Spring Cycle		
23.	Bahrain	
24.	Bahamas	
25.	Barbados	
26.	Belarus	
27.	Belize	
28.	Chile	
29.	Estonia	
30.	Grenada	
31.	Guinea	
32.	Guinea Bissau	
33.	Kenya	
34.	U.S. Perm Mission to UNEP and UN Center for Human Settlements, Nairobi	
35.	Kyrgyzstan	Bishkek NOX FY-13
36.	Lithuania	
37.	Malawi	
38.	Mali	
39.	Mauritius	Port Louis NEC FY-13
40.	Mongolia	
41.	Nepal	
42.	Slovenia	
43.	Turkmenistan	
44.	Uruguay	



Fiscal Year	Mission	Planned Capital Projects
FY08 Fall Cycle		
1.	Angola	
2.	Argentina	Buenos Aires NEC FY11
3.	Central African Republic	Bangui NEC FY11
4.	Cote d'Ivoire	
5.	East Timor	Dili NEC FY-11
6.	Greece	Thessaloniki LFO FY??
7.	Guatemala	
8.	Laos	Vientiane NEC FY11
9.	Lesotho	
10.	Moldova	Chisinau NEC FY11
11.	Namibia	Windhoek NEC FY11
12.	Netherlands	The Hague NEC FY11
	Netherlands Antilles	
13.	Niger	
14.	Senegal	Dakar NEC & Annex FY11
15.	Seychelles	
16.	Spain	Madrid NEC FY11
17.	Swaziland	Mbabane NEC FY11
18.	Tajikistan	
19.	Vietnam	Hanoi NEC FY12
FY08 Spring Cycle		
20.	Armenia	
21.	Australia	
22.	Belgium	
23.	Bolivia	
24.	Cambodia	
25.	Cameroon	
26.	Croatia	
27.	Cuba	
28.	Czech Republic	
29.	France	
30.	Gambia	
31.	Ghana	
32.	Jordan	
33.	Oman	
34.	Panama	
35.	Tanzania	
36.	Togo	
37.	Trinidad and Tobago	
38.	U.S. Mission to European Union	
39.	U.S. Mission to NATO	
40.	U.S. Mission to OECD, Paris	
41.	U.S. Mission to UNESCO, Paris	



Fiscal Year	Mission	Planned Capital Projects
FY09		
1.	Afghanistan	Kabul NOX FY-13
2.	Albania	
3.	Austria	
4.	Bulgaria	
5.	Cyprus	
6.	Egypt	
7.	El Salvador	
8.	Haiti	
9.	Honduras	
10.	Hungary	
11.	Iraq	
12.	Jamaica	
13.	Kazakhstan	
14.	Kuwait	
15.	Marshall Islands	
16.	Micronesia	
17.	Nicaragua	
18.	Montenegro	
19.	Niger	
20.	Papua New Guinea	Port Moresby NEC FY-13
21.	Peru	
22.	Portugal	
23.	Qatar	
24.	Rwanda	
25.	Samoa	
26.	Sweden	
27.	Uganda	
28.	U.S. Mission to UNVIE	
29.	U.S. Mission to OSCE	
30.	U.S. Mission to IAEA	
31.	Uzbekistan	
32.	Venezuela	
33.	Yemen	Sanaa NOX FY-13



